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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission for the Referendum in Western Sahara

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission for the Referendum in Western Sahara

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$41,529,500
Expenditure for 2002/03	$38,409,000
Appropriation for 2003/04	$41,529,500
Proposal submitted by the Secretary-General for 2004/05	$41,990,000
Recommendation of the Advisory Committee for 2004/05	$41,860,000

I. Introduction

1. **The recommendations of the Advisory Committee in paragraphs 28 and 29 below would entail a reduction of $130,000 in the proposed budget for the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2004 to 30 June 2005. The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to MINURSO.**

3. The documents used by the Advisory Committee in its consideration of the financing of MINURSO are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/298 of 27 June 2002, appropriated to the Special Account for MINURSO an amount of $43,412,900 for the period from 1 July 2002 to 30 June 2003, inclusive of $41,529,500 gross ($38,488,500 net) for the maintenance of the Mission, $1,681,900 for the support account for peacekeeping operations and $201,500 for the United Nations Logistics Base at Brindisi, Italy. Expenditure for the period totalled $38,409,000 gross ($35,772,800 net) (see A/58/642, sect. III.A). The resulting unencumbered balance of $3,120,500 gross ($2,675,700 net) represents, in gross terms, 7.5 per cent of the appropriation.

5. The unutilized balance of $3,120,500 gross ($2,675,700 net) was attributable primarily to lower requirements for mission subsistence allowance for military observers, the placement of international and national staff at lower levels than those of the posts approved, lower requirements for mission subsistence allowance paid to observers from the African Union, the result of the difference between budgeted purchase costs for new vehicles and costs related to the transfer of existing vehicles from the United Nations Mission in Bosnia and Herzegovina (UNMIBH) and the fact that actual aircraft utilization rates were substantially lower than budgeted for. These elements were offset in part by additional requirements under official travel, facilities and infrastructure, communication and information technology, medical and other supplies, services and equipment.

6. The Advisory Committee notes from section III.B of the performance report (A/58/642 and Corr.1) that a total of $2,833,000 is indicated for other income and adjustments for the period, comprising $177,000 in interest income, $170,000 for other/miscellaneous income and $2,522,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $36,000 for prior-period adjustments. Upon request for an explanation of the figure of $2,552,000 for savings on or cancellation of prior-period obligations, the Committee was provided with a breakdown of this amount (see annex II below). **The Committee requests that future performance reports include an explanation of such adjustments.**

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005 (A/58/657) in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee notes the precarious financial situation of the Mission. For example, the Mission has not made payments for troop costs since March 2002 and has borrowed from closed missions to meet its obligations.

9. The Advisory Committee was informed that, as at 29 February 2004, a total of $527,671,332 had been assessed on Member States in respect of MINURSO since its inception. Payments received as at the same date amounted to $474,324,348, leaving an outstanding balance of $53,346,984. As at 29 February 2004, the cash position of the Mission was $1,100,000, total unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $1,769,000 and current loans were $2 million from the United Nations Transition Assistance Group, $4 million from the United Nations Protection Force and $3 million from the United Nations Observer Mission in Liberia.

10. With regard to contingent-owned equipment for the period 1 July 2000 to 30 June 2004, the Committee was informed that, as at 29 February 2004, an amount of $135,442 had been reimbursed and the estimated amount owed was $435,000, while unliquidated obligations for the period up to 30 June 2004 totalled $299,558. In respect of death and disability compensation, $315,000 had been paid as at 29 February 2004 for 11 claims, 1 claim was pending and unliquidated obligations amounted to $238,000.

11. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for MINURSO for the period from 1 July 2003 to 30 June 2004 was as follows:

	Authorized[a,b]	*Encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	203	193	5
Military contingent personnel	27	27	0
Civilian police[c]	81	0	100
International staff	300	139	54
National staff	113	109	4
Government-provided personnel	10	4	60

[a] Representing the highest authorized strength for the period.

[b] As a result of the suspension of the activities of the Identification Commission, 55 civilian police and 116 international staff posts remain authorized but unbudgeted for the period.

[c] As per paragraph 11 of the Secretary-General's report to the Security Council (S/2004/39), the civilian police component has been kept in the proposed budget for the 2004/05 but not funded.

12. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I below). Expenditure for the period amounted to $26,596,400 gross ($24,961,000 net) against an apportionment of $41,529,500 gross ($38,488,500 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

13. **The Advisory Committee commends the Mission for the progress made in formulating more specific indicators of achievement.**

Special Representative of the Secretary-General and Personal Envoy of the Secretary-General for the United Nations Mission for the Referendum in Western Sahara

14. **The Advisory Committee understands that the Special Representative of the Secretary-General, as the head of the Mission, is responsible for its day-to-day operations and that he supports the work of the Personal Envoy of the Secretary-General, whose responsibility is to assess, in consultation with the parties, the implementation of the settlement plan and to seek ways of moving the peace process forward towards a mutually acceptable political solution to the dispute over Western Sahara. The Committee was informed that since the level of support required by the Personal Envoy is dependent on external factors and has the potential to vary significantly from period to period, budgetary provisions are not made for the support of these activities. However, when expenditures relating to the support of his activities do occur, they are absorbed by the Mission and are reported in the budget performance report.**

15. **The Advisory Committee trusts that there will continue to be close cooperation and coordination between the Personal Envoy and the Special Representative, and that the Special Representative will help facilitate the work of the Personal Envoy to the maximum extent possible in carrying out his duties. In this connection, the Committee recalls its recommendation in its report of 27 November 2002, in which it recommended that logistical support for the special political missions be provided through the Department of Peacekeeping Operations (see A/57/7/Add.17, para. 18). The Committee also recalls paragraph 2.1 (j) of the Secretary-General's bulletin on functions and organization of the Department (ST/SGB/2000/9), in which it is stated that the Department is to provide logistic and administrative support for peacekeeping operations, as well as other field offices and missions, as required.**

16. The Advisory Committee further recalls its recommendation in its report of 4 March 2002 that efforts should be made to ensure that the work and the objectives of the various activities of advisers, envoys and offices dealing with African issues are, to the extent possible, complementary (see A/56/7/Add.8, para. 11). **The Committee enquired as to the possibility of overlap or duplication in the work of the Special Representative and the Personal Envoy. It was informed that, as the mandate of the Personal Envoy was political in nature, no problems of duplication were foreseen.**

B. Resource requirements

1. Military personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
Military observers	203	203
Military contingent personnel	27	27
Civilian police	81[b]	81[c]

[a] Representing highest level of authorized/proposed strength.
[b] As a result of the suspension of the activities of the Identification Commission, budgetary provisions have not been made for 55 of the civilian police posts.
[c] As a result of the suspension of the activities of the Identification Commission, budgetary provisions have not been made for any of the 81 civilian police posts.

17. A reduction of $666,900, or 9.9 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for 2004/05. The reduction is attributable mainly to the fact that with the suspension of the activities of the Identification Commission, no budgetary provision has been included for civilian police whose purpose was to provide support and protection for the Identification Commission.

18. The Advisory Committee notes from the performance report for 2002/03 (see A/58/642, sect. III.C) that expenditure for contingent-owned equipment for the period ended 30 June 2003 totalled $95,300. Estimated requirements for the 2004/05 period amount to $131,400.

Contingent-owned equipment and self-sustainment for the period 1 July 2000 to 30 June 2004, as at 29 February 2004

(United States dollars)

Year	*Apportionment*	*Estimated amount owed*	*Payments (reimbursed)*	*Unliquidated obligations*	*Claims in accounts payable*[a]
Prior to 2000/01	-	-	-	-	210 368[b]
2000/01	222 900	170 800	100 249	70 551	-
2001/02	80 900	80 900	35 193	45 707	-
2002/03	197 400	95 300	-	88 000	-
2003/04	88 000	88 000	-	95 300	-
Total	**589 200**	**435 000**	**135 442**	**299 558**	**210 368**

[a] Contingent-owned equipment claims certified up to 31 December 2001.
[b] Payments for 2000/01 and 2001/02 were made in November 2001 and May 2002 respectively. Claims in accounts payable relating to periods prior to 2000/01 were not certified until August and September 2002.

The Committee requests that this information be included in future budget documents.

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff[a]	300[b]	300[c]
National staff[d]	113	113
Government-provided personnel	10	10

[a] Representing the highest level of authorized/proposed strength.
[b] As a result of the suspension of the activities of the Identification Commission, budgetary provisions have not been made for 116 staff posts.
[c] As a result of the suspension of the activities of the Identification Commission, budgetary provisions have not been made for 157 staff posts.
[d] Including national officers and national General Service staff.

19. The Advisory Committee notes from the performance report for the 2002/03 period that a significant underexpenditure has been realized under international staff owing to the placement of staff at lower levels than those of the posts approved. Upon request, the Committee was informed that 12 Professional posts were encumbered by staff at lower levels, in some cases for four or five years, including an Assistant Secretary-General post being occupied by the principal political adviser to the Special Representative of the Secretary-General at the D-1 level. **The Committee was informed that the encumbrance of the Assistant Secretary-General post serves as a temporary measure in view of the current political situation in MINURSO. The Committee reiterates its view that when posts are consistently filled at lower levels and if staff members recruited at lower levels perform to the satisfaction of mission officials, the level of the higher-graded posts should be reviewed and reclassified accordingly (see A/57/772, para. 81). The Committee has commented on this issue in its general report on peacekeeping operations (A/58/759).**

20. For 2004/05, a decrease of $1,590,800, or 7.8 per cent, in comparison with the apportionment for 2003/04 is proposed for civilian personnel and related costs. The decrease, as indicated in section III, paragraph 10, of the proposed budget (A/58/657), is due primarily to the fact that budgetary provisions have not been made for an additional 41 posts as a result of the suspension of the activities of the Identification Commission (in 2003/04 budgetary provisions were not made for 116 Identification Commission posts due to the suspension of its activities) and to the increase from 5 per cent to 10 per cent in the vacancy factor applied to international staff.

21. With regard to the suspension of the activities of the Identification Commission, the Advisory Committee notes from the report of the Secretary-General to the Security Council (S/2004/39) that the Commission has completed its overall auxiliary work plan, including the transfer of all of its identification files and sensitive documents to the United Nations Office at Geneva for safekeeping. In connection with the securing of the files of the Identification Commission, the Committee was informed that the United Nations Office at Geneva, with the assistance of a local company, maintains the files in a specially secured environment on its premises, at no cost to the Mission for storage. The Committee was also informed that a special roster is being kept with regard to the Identification

Commission in order to expedite the recruitment of expertise for MINURSO should the need arise.

22. The Advisory Committee exchanged views with representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. As regards MINURSO, the Committee was informed that cost implications for the conversion of the contractual status of staff members from the 300 to the 100 series in the period 2004/05 were not included in the budget estimates for the Mission for 2004/05. The comments of the Committee on this issue are contained in its general report on peacekeeping operations.

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$14,520,100	$17,238,300

23. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent an increase of $2,718,200, or 18.7 per cent, as compared with the apportionment for the current period. The main factors contributing to the variance are increased requirements under official travel, air transportation, communications, medical and special equipment.

Official travel and training

24. The estimate for official travel for 2004/05, as shown in section II.1 of the proposed budget (A/58/657), amounts to $526,000, an increase of $178,700 over the amount of $347,300 apportioned for 2003/04. The main reason for the increase, as stated in paragraph 12, section III, of the proposed budget, is the increased requirement for the training of both substantive civilian and support personnel.

25. **The Advisory Committee received supplementary information that breaks down the costs involved in training, the type of training to be undertaken, the location of the training and the number of staff to be trained, as well as output references. However, the Committee reiterates its view that, as the training of personnel is an important component of the proposed budget, all resources requested for training should be transparently reflected in the budget itself.**

26. The Advisory Committee notes from the additional information provided to it that the estimates for training for 2004/05 amount to $300,000, including $240,000 for training-related travel, representing an increase of $196,000 over the amount of $104,000 for 2003/04. The Committee also notes from the additional information provided to it that much of the training in terms of the number of people to be trained (257) is to be undertaken in the Mission area.

27. **Nonetheless, it is the view of the Advisory Committee that as more staff become trained, the requirement for training should decrease, and with it the requirement for training-related travel, particularly in missions that are no longer growing or are in the process of downsizing. Furthermore, the Committee was informed that a training centre has been established at the Mission, and these facilities should be put to the optimal use to reduce the cost of training-related travel.**

28. **Taking into account its comments in the paragraphs above, the Advisory Committee recommends the approval of $200,000 for training for 2004/05, a reduction of $100,000 from the amount requested.**

29. With regard to official travel not related to training, the Advisory Committee notes from the additional information provided to it that an increase of $27,700, or 10.7 per cent, is proposed for 2004/05, in comparison with the apportionment for 2003/04. This is due to an increase in the requirements for mission support and assessment. Upon enquiry, the Committee was informed that, as the authorized responsibility for the management of the Mission's financial resources is delegated to the Chief Administrative Officer, a request is made to the Chief Administrative Officer by the Finance Management and Support Service at Headquarters to redeploy funds from the field to Headquarters or from other accounts administered by Headquarters. Thus, requests must be accompanied by adequate justification as to the purpose of the travel and the impact it is expected to have on the delivery of results-based budgeting outputs. **The Committee is of the opinion that strict monitoring of travel will result in economies; it therefore recommends a reduction of $30,000.**

Ground transportation

30. The Advisory Committee notes that for the 2002/03 financial period, vehicles were transferred from UNMIBH to MINURSO. Upon enquiry as to the condition of those vehicles, the Committee was informed that most of them were in good condition but had been driven over 100,000 miles. **The Committee draws the attention of the Secretariat to the need to analyse whether it is cost-effective to transfer vehicles with high mileage to other missions, taking into account the high cost of freight.**

Air transportation

31. The estimate for air transportation for the period ending 30 June 2005 amounts to $7,253,500, an increase of $1,741,700, or 31.6 per cent, relative to the apportionment for the current period. The variance, as explained in paragraph 15 of the proposed budget (A/58/657), is due mainly to the increase in costs associated with the change in the configuration of the helicopters deployed in the Mission area. Upon enquiry, the Advisory Committee was informed that instead of MI-8 helicopters, which are able to operate in temperatures of up to 40°C, the Mission will use MI-8 MTV helicopters, which are able to operate in temperatures of up to 50°C and therefore are better suited to the heat of the desert.

32. In its discussions with the representatives of the Secretary-General concerning the composition of the Mission's aircraft fleet, the Advisory Committee was informed that in accordance with new safety requirements the Mission planned to replace one of its AN-26 cargo aircraft with an AN-24 passenger aircraft in the near future. Given the similarity between the two aircraft, operating costs are not expected to change as a result of the reconfiguration.

Communications and information technology

33. The estimate for communications for the period ending 30 June 2005 amounts to $2,500,200, an increase of $1,823,600, or 269.5 per cent, over the apportionment for the current period. As indicated in paragraph 16 of the proposed budget, the

increase is due mainly to the need to replace communication equipment that is either obsolete or has exceeded its useful life and requires replacement, and the expansion of the wide area network to enable secure communications between the team sites and sector headquarters. **Inasmuch as this is a downsizing Mission, replacement standards need not be rigidly adhered to; in addition, the Advisory Committee recalls and cautions that equipment should not be replaced merely to keep up with new, state-of-the-art developments in equipment and software.**

Other equipment

34. The Advisory Committee received detailed information on equipment requirements from 1 July 2004 to 30 June 2005. It appears, for example, that office furniture equipment is being written off prior to the completion of its useful life. The Committee requests the Mission to review its acquisition and write-off procedure for office equipment and reflect the results in the performance report.

Voluntary contributions

35. Upon request, the Advisory Committee was provided with information on voluntary contributions for the period from 1 July 2004 to 30 June 2005 (see annex III below).

V. Conclusions of the Advisory Committee

36. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 21 of the performance report (A/58/642 and Corr.1). **The Advisory Committee recommends that the unencumbered balance of $3,120,500, as well as other income and adjustments in the amount of $2,833,000, be credited to Member States in a manner to be determined by the Assembly.**

37. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 19 of the proposed budget (A/58/657). **In view of its comments above, the Advisory Committee recommends that the estimated requirements of $41,990,000 be reduced by $130,000, to $41,860,000, should the Security Council decide to continue the mandate of MINURSO beyond 30 April 2004.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2002 to 30 June 2003 (A/58/642 and Corr.1)
- Report of the Secretary-General on the proposed budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2004 to 30 June 2005 (A/58/657)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2001 to 30 June 2002 and proposed budget for the period from 1 July 2003 to 30 June 2004 of the United Nations Mission for the Referendum in Western Sahara (A/57/772/Add.2)
- General Assembly resolutions 56/298 and 57/331 on the financing of the United Nations Mission for the Referendum in Western Sahara
- Reports of the Secretary-General on the situation concerning Western Sahara (S/2004/39 and S/2003/1016)
- Security Council resolutions 1513 (2003) and 1523 (2004)

Annex I

Actual expenditure for the period from 1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure as at 29 February 2004*
Military and police personnel		
Military observers	5 448.8	3 606.1
Military contingents	673.4	275.7
Civilian police	595.4	226.7
Formed police units	—	—
Subtotal	**6 717.6**	**4 108.5**
Civilian personnel		
International staff	18 524.0	10 409.5
National staff	1 767.8	993.6
United Nations Volunteers	—	—
Subtotal	**20 291.8**	**11 403.1**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	120.0	27.8
Civilian electoral observers	—	—
Consultants	10.0	10.4
Official travel	347.3	203.9
Facilities and infrastructure	2 297.6	1 062.6
Ground transportation	3 803.8	3 033.6
Air transportation	5 511.8	5 211.2
Naval transportation	—	—
Communications	676.6	574.2
Information technology	778.5	450.2
Medical	88.0	54.3
Special equipment	15.0	—
Other supplies, services and equipment	871.5	456.6
Quick-impact projects	—	—
Subtotal	**14 520.1**	**11 084.8**
Gross requirements	**41 529.5**	**26 596.4**
Staff assessment income	3 041.0	1 635.4
Net requirements	**38 488.5**	**24 961.0**
Voluntary contributions in kind (budgeted)	1 776.1	—
Total requirements	**43 305.6**	**26 596.4**

Annex II

Savings on or cancellation of prior-period obligations for the period ended 30 June 2003

(Thousands of United States dollars)

Category	
I. Military and police personnel	
Military observers	174.5
Military contingent personnel	1 706.8
Civilian police	19.8
Subtotal	**1 901.1**
II. Civilian personnel	
International staff	75.1
Subtotal	**75.1**
III. Operational costs	
Official travel	21.1
Facilities and infrastructure	43.4
Ground transportation	117.1
Air transportation	276.4
Communications	29.8
Information technology	3.5
Medical	0.1
Other supplies, services and equipment	54.4
Subtotal	**545.8**
Total	**2 522.0**

Annex III

Detailed voluntary contributions for the period 1 July 2004 to 30 June 2005 by donor and budget line

(Thousands of United States dollars)

Category	*Algeria*	*Morocco*	*Frente Polisario*	*Total*
Military observers				
Rations	162.4	932.2	—	1 094.6
Military contingent personnel				
Rations	4.1	23.3	—	27.4
Facilities and infrastructure				
Rental of premises	—	30.0	—	30.0
Utilities	29.4	57.0	200.0	286.4
Ground transportation				
Rental of vehicles	—	424.0	—	424.0
Petrol, oil and lubricants	8.3	—	—	8.3
Air transportation				
Landing fees and ground-handling charges	2.7	—	—	2.7
Other supplies, services and equipment				
Rations, other	36.5	209.8	—	246.3
Other services	—	25.0	—	25.0
Total	**243.4**	**1 701.3**	**200.0**	**2 144.7**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Sierra Leone

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission in Sierra Leone

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$669,476,400
Expenditure for 2002/03	$603,085,500
Appropriation for 2003/04	$520,053,600
Proposal submitted by the Secretary-General for 2004/05	$199,799,800
Recommendation of the Advisory Committee for 2004/05	$196,982,200

I. Introduction

1. **The recommendations of the Advisory Committee in paragraphs 22 (a), 25 and 27 below would entail a reduction of $2,817,600 in the proposed budget for the United Nations Mission in Sierra Leone (UNAMSIL) for the period from 1 July 2004 to 30 June 2005 (see A/58/661). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759)contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNAMSIL.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 56/251 B of 27 June 2002, appropriated to the Special Account for UNAMSIL the amount of $699,838,300 for the period from 1 July 2002 to 30 June 2003, inclusive of $669,476,400 for the maintenance of the Mission, $27,113,600 for the support account and $3,248,300 for the United Nations Logistics Base at Brindisi, Italy. In the same resolution, the Assembly apportioned among Member States the amount of $532,469,200 for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003. In its resolution 57/291 A of 20 December 2002, the Assembly, acting on recommendations of the Advisory Committee, apportioned among Member States the amount of $90 million for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003, thus bringing the total amount for apportionment to $622,469,200.

5. As indicated in the report of the Secretary-General on the financial performance of UNAMSIL (see A/58/660, section III.A), expenditure for the period totalled $603,085,500 gross ($597,506,200 net).

6. The unutilized balance of $66,390,900 was attributable primarily to lower-than-budgeted deployment of military observers (253 actual average, compared with the budgeted level of 260), troops (15,678 actual average, compared with the budgeted strength of 17,240), international staff (305 actual average, compared with the budgeted level of 381) and United Nations Volunteers (152 actual average, compared with the budgeted level of 168) following the drawdown of military contingents and reduced costs for ground and air transportation as a result of the downsizing of the Mission. The unspent balance was offset in part by additional requirements attributable to an increase in the mission subsistence allowance rate from $105 to $115 effective in February 2002 and to an increase in travel requirements.

7. The Advisory Committee notes from section III.B of the performance report that a total of $27,223,000 is indicated for other income and adjustments for the period, comprising $16,517,000 in interest income, $3,265,000 in other/miscellaneous income and $7,620,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $179,000 for prior-period adjustments. The Committee was provided, upon request, with the breakdown of the figure of $7,620,000 for savings on cancellation of prior-period obligations. **The Committee requests that future performance reports include a brief explanation of prior-period adjustments.**

8. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005, in section IV below.

III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 29 February 2004, a total of $2,445,957,000 had been assessed on Member States in respect of UNAMSIL since its inception. Payments received as at the same date amounted to $2,228,554,220, leaving an outstanding balance of $217,402,780. As at 29 February 2004, the cash position of the Mission was $220.6 million, and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $63.1 million.

10. The Advisory Committee was informed that troop cost reimbursement up to 31 December 2003 totalled $723,832,430, while the amount owed for the period from 1 January 2003 to 29 February 2004 was $25,696,556. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, $294,162,500 had been reimbursed and the estimated amount owed was $374,238,400, while unliquidated obligations for the period up to 30 June 2004 totalled $125,909,000. In respect of death and disability compensation, $3,878,000 had been paid as at 29 February 2004 for 120 claims, 21 claims were pending and unliquidated obligations amounted to $17,114,000.

11. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNAMSIL for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized[a]	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	260	256	1.5
Military contingent personnel	12,740	11,227	11.9
Civilian police	170	131	22.9
International staff	368	313	14.9
National staff	605	576	4.8
United Nations Volunteers	163	149	8.6

[a] Representing the authorized strength for February 2004.

12. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I). Expenditure for the period amounted to $455,322,977 gross ($450,629,457 net) against an apportionment of $520,053,600 gross ($514,171,200 net).

13. The Advisory Committee was informed, upon enquiry, that within the available resources in its current budget, UNAMSIL had undertaken additional activities such as supporting the local authority elections scheduled for May 2004 by providing transport, communications and security infrastructure to the National Electoral Commission. A summary of UNAMSIL logistical support to the National

Electoral Commission as at 17 February 2004 is contained in annex II below. The Mission also fully supported the establishment of, and continues to provide logistic support to, the United Nations Mission in Liberia (UNMIL), mainly through the supply of goods from UNAMSIL stocks, as well as through direct procurement for UNMIL. The Committee was informed that reimbursable expenditure incurred by UNAMSIL on behalf of UNMIL amounted to $10.6 million for the current financial period.

14. **The Committee welcomes the support provided by UNAMSIL to United Nations peacekeeping efforts in the region. While recognizing that UNAMSIL is downsizing, the Committee trusts that it and other United Nations missions in West Africa will share logistic and administrative support, to the extent possible, without prejudicing their operational capabilities with respect to their mandates, in order to maximize effectiveness and minimize the cost of missions.**

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

15. **The Advisory Committee commends the Mission for the progress it has made in formulating its budget document (A/58/661) using results-based techniques. It is of the opinion, however, that further improvements could be made in a number of areas. Indicators of achievement (for example, 1.1.1 and 1.2.2) should provide measurable parameters that would allow an objective analysis of progress in the implementation of expected accomplishments. Moreover, the distinction between external factors and expected accomplishments appears to be somewhat blurred (see, for example, component 2, Military).** More general comments and observations on results-based budgeting are contained in the general report of the Advisory Committee on the financing of United Nations peacekeeping operations (A/58/759).

B. Resource requirements

16. The Secretary-General's proposed budget for UNAMSIL contains the maintenance budget of the Mission for the period from 1 July to 31 December 2004, in the amount of $187,315,500 (gross), as well as its liquidation budget for the period from 1 January to 31 March 2005, in the amount of $12,484,300 (gross), for a total estimated requirement of $199,799,800 (gross).

17. The Advisory Committee notes from the report of the Secretary-General of 23 December 2003 to the Security Council (S/2003/1201) that under the modified drawdown plan for the military component of UNAMSIL, the withdrawal of 5,500 troops from September to October 2004 would leave the Mission's strength at approximately 5,000 troops, which are expected to be repatriated by the end of December 2004. However, as stated in paragraph 4 of that report, "it will be essential to conduct a comprehensive assessment of the benchmarks and the progress made in consolidating peace and stability in Sierra Leone, with a view to determining whether further adjustments to the withdrawal plan will be required."

1. Military and police personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
Military observers	260	260 (1 July-31 December)
Military contingent personnel	12,740	10,339 (1 July-30 September)
		8,746 (1-31 October)
		4,914 (1 November-31 December)
Civilian police	170	150 (1 July-30 September)
		120 (1 October-31 December)
		6 (1 January-31 March)

[a] Representing highest level of authorized strength.

18. A reduction of $203,121,900, or 64.6 per cent from the apportionment for the current period is proposed for military and police personnel for 2004/05. The reduction reflects the downsizing and subsequent liquidation of the Mission. The budget estimates were based on the average monthly strength of 260 military observers and 8,265 contingent personnel and members of support units during the period from 1 July to 31 December 2004, as well as the average strength of 92 civilian police during the period from 1 July 2004 to 31 March 2005.

19. The Advisory Committee notes that the Mission continues to experience less than full incumbency for military personnel. For 2002/03 the average monthly deployment rate for military observers was 253 out of the 260 approved, or a delayed deployment rate of 2.7 per cent. The corresponding figures for military contingents are 15,678 out of 17,240 approved, or a delayed deployment rate of 9.1 per cent. The current incumbency, as shown in paragraph 11 above, is 256 military observers of the 260 approved for 2003/04 and 11,227 of the 12,740 military contingents approved, for delayed deployment rates of 1.5 per cent and 11.9 per cent, respectively. **Under the circumstances, it was the Committee's intention to recommend that the estimate for military contingents be adjusted by 3 per cent to better reflect the actual troop strength.**

20. The Advisory Committee notes, however, that the twenty-first report of the Secretary-General to the Security Council on UNAMSIL (S/2004/228), of 19 March 2004, proposes the retention of 1,500 military contingent personnel for two months beyond 31 December 2004. The Advisory Committee was informed that the budgetary provision in respect of 1,500 troops for the two-month period is estimated at $5.8 million, covering standard troop cost reimbursement, rotation of troops, self-sustainment, daily allowance and rations. According to the Secretariat, this cost may be absorbed within the six-month maintenance budget for UNAMSIL from 1 July to 31 December 2004; however, if the reduction of 3 per cent in the 2004/05 budget is maintained, there may be some difficulty in absorbing this additional requirement should the Security Council approve the Secretary-General's recommendations.

21. **Taking this information into account, the Advisory Committee is not pursuing its recommendation for the 3 per cent reduction to the estimate for the military component. However, this position of the Committee is conditional on the Security Council's approval of the Secretary-General's proposal. The Committee points out that any additional requirements that may arise as the**

result of the Security Council's decision on UNAMSIL and that cannot be accommodated within the Mission's budget for 2004/05, should be presented as revised estimates to be submitted to the General Assembly during the main part of the its fifty-ninth session.

2. Civilian personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
International staff	376	336 (1 July-30 September)
		331 (1 October-31 December)
		178 (1 January-31 March)
National staff	610	556 (1 July-30 September)
		534 (1 October-31 December)
		297 (1 January-31 March)
United Nations Volunteers	168	147 (1 July-30 September)
		139 (1 October-31 December)
		79 (1 January-31 March)

[a] Representing highest level of authorized strength.

Recommendations on posts

22. Besides the projected downsizing of international and national staff and United Nations Volunteers for the period 2004/05, the proposed staffing structure of the Mission provides for the redeployment of six posts from the abolished Office of the Deputy Special Representative of the Secretary-General for Operations and Management. The Advisory Committee was informed, upon enquiry, that it had been determined that the reduced size of the Mission, resulting from downsizing of the military component, no longer warranted the retention of two Deputy Special Representatives of the Secretary-General. Accordingly, the post of Deputy Special Representative of the Secretary-General for Operations and Management was downgraded from the Assistant Secretary-General level to the D-2 level, for the Chief Administrative Officer (see A/57/772/Add.3, para. 23); therefore, the only remaining Assistant Secretary-General post in the Mission is that of the Deputy Special Representative of the Secretary-General for Governance and Stabilization. The Committee was also informed that functions performed by the staff of the former Office of the Deputy Special Representative of the Secretary-General for Operations and Management were not abolished and that the posts previously assigned to the Office were proposed for redeployment to other offices of the Mission, as follows:

(a) *Redeployment of a P-5 post to the Office of the Deputy Special Representative of the Secretary-General for Governance and Stabilization.* The Committee notes that the functional title of the P-5 post in the abolished Office of the Deputy Special Representative of the Secretary-General for Operations and Management was Special Assistant to the Deputy Special Representative of the Secretary-General in charge of management issues, and that the new functional title of the post would be the same. The Committee further notes that most management functions of the former Office of the Deputy Special Representative of the

Secretary-General for Operations and Management were transferred to the Division of Administration. **The Committee sees no rationale for transferring the residual management functions to the Office of the Deputy Special Representative of the Secretary-General for Governance and Stabilization and is of the view that such functions, if necessary, should be reassigned among staff of the Division of Administration. Accordingly, the P-5 post in the former Office of the Deputy Special Representative of the Secretary-General for Operations and Management should be abolished;**

(b) *Redeployment of two international staff posts (one P-4 and one General Service) to the Office of the Special Representative of the Secretary-General (see A/58/661, para. 7).* **The Committee has no objection to the proposed redeployment;**

(c) *Redeployment of one international General Service post and two national General Service posts to the office of the Director of Administration.* **The Committee has no objection to the proposed redeployment.**

23. **The Advisory Committee points out that the reduction in the civilian personnel of UNAMSIL does not appear to be proportionate to the downsizing in the military component of the Mission.** For example, the Public Information Office would maintain the same number of posts (34) throughout the downsizing period; the Finance, Personnel and Procurement Sections and the Medical Unit would retain their staffing complements intact until the end of the Mission's liquidation period. **The Committee recognizes that not all functions performed in the Mission during its downsizing and liquidation will experience a decrease in workload; moreover, certain functions may require short-term additional support — for example, during such extended presence as may be approved by the Security Council (see para. 20 above), and especially during the liquidation period. Nevertheless, the Committee is of the view that there is not sufficient justification for maintaining the same number of posts in the public information and support areas during the downsizing and liquidation of the Mission. The Committee is therefore of the view that the potential exists for a further reduction in civilian personnel; it trusts that information on such further reduction in civilian personnel will be reflected in the final performance report on UNAMSIL for the period 2004/05, as appropriate.**

24. The Advisory Committee notes from the report of the Secretary-General on the budget for the support account for the financial period 2004/05 (A/58/715) that resident auditors at UNAMSIL will undergo a reduction of one P-4 and one General Service post. **In this connection, the Committee stresses the important role that resident auditors should perform during the downsizing and, especially, the liquidation periods of a peacekeeping operation and therefore recommends that the number of resident auditor posts in UNAMSIL be maintained at the current level of six (1 P-5, 2 P-4 and 3 General Service).**

25. Information provided to the Advisory Committee, upon request, indicated that for 2004/05 an additional provision of $108,200 is made for the conversion to the 100 series of five posts that are currently appointments of limited duration under the 300 series of the Staff Rules. This matter is discussed in detail in the Committee's general report on peacekeeping operations (A/58/759), in which it recommends that, in the light of the policy issues to be addressed, the proposal for the conversion of peacekeeping mission staff from the 300 series to the 100 series should be presented

in a comprehensive manner by the Secretary-General in the context of his report on human resources management policies, to be submitted to the General Assembly at its fifty-ninth session. **In that same report, the Committee has further recommended that action by the Secretariat on conversion from the 300 to the 100 series be deferred. The Advisory Committee was informed that an amount of $1,402,000 relating to the conversion of 125 posts had been erroneously included in the UNAMSIL budget for post adjustment, which does not apply to mission appointees under the 100 series. Accordingly, the Committee recommends that the estimate for international staff for UNAMSIL be reduced by $1,510,200. However, as indicated in its general report, the Committee has serious doubts about the accuracy of the figures provided. It requests detailed and well-justified information in the next submission on this subject.**

Other observations and recommendations

26. A $10,062,400 (21.3 per cent) reduction in civilian personnel costs is proposed, compared with the apportionment of $47,325,300 for 2003/04. This takes into account the reductions in international staff, national staff and United Nations Volunteers. The related staff costs take into account a 5 per cent vacancy rate for international staff, a 2 per cent vacancy rate for national staff and a 3 per cent vacancy rate for United Nations Volunteers.

27. The Advisory Committee notes that the Mission continues to experience less than full incumbency for civilian personnel. For 2002/03 the average monthly vacancy rates were 20.1 per cent for international staff, 9 per cent for national staff and 9.5 per cent for United Nations Volunteers. The current vacancy rates, as shown in paragraph 10 above, are 14.9 per cent for international staff, 4.8 per cent for national staff and 8.6 per cent for United Nations Volunteers. **Taking into account the persistent high vacancy rate and what has been stated in paragraph 23 above, the Committee recommends that the cost estimates under the budget line for civilian personnel be adjusted by 8 per cent in respect of international staff, 4 per cent in respect of national staff and 5 per cent in respect of United Nations Volunteers.**

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$158,454,200	$51,384,700

28. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent a decrease of $107,069,500, or 67.6 per cent, as compared with the apportionment for the current period. The main reason for the reduced requirements is the downsizing and projected liquidation of the Mission.

Consultants

29. The requirements for consultants for 2004/05, as shown in section II.1 of the proposed budget, are estimated at $25,200. The Committee was informed, upon enquiry, that the estimated $25,200 would be required for the hiring of two experts in the area of waste disposal and management for two weeks.

30. **The Advisory Committee is of the view that the feasibility of developing internal expertise in the area of waste disposal and management should be explored in order to minimize environmental protection costs during the liquidation period of United Nations peacekeeping operations. The Committee trusts that the Organization, in developing such expertise, will endeavour to learn from individual experts in environmental protection who are now occasionally hired in peacekeeping operations as consultants, as well as from expertise that may be available at the United Nations Environment Programme or other United Nations programmes, funds and agencies.**

Official travel

31. The estimate for official travel for 2004/05, as shown in section II.1 of the proposed budget, amounts to $513,100, a decrease of $446,900 from the amount of $960,000 apportioned for 2003/04. The total of $513,100 reflects a provision of $105,500 for training-related travel, a reduction of $454,500 from the apportionment for the period 2003/04, and a provision of $407,600 for other official travel, an increase of $7,800 over the apportionment for the period 2003/04. The Advisory Committee notes from the supplementary information provided to it that an estimated total of $407,600 for official (non-training) travel would be required for within-Mission travel ($200,000), travel of UNAMSIL personnel to Headquarters ($106,400) and travel of Headquarters staff to the Mission ($101,200).

32. The Advisory Committee notes from the performance report for the 2002/03 period that, as was the case in the 2001/02 period, a significant cost overrun ($1,019,900) has been incurred under official travel, reflecting an increase of 134.1 per cent, over the budgeted provision of $760,400. **The Committee is concerned about such a sharp increase in unbudgeted travel costs, and it trusts that necessary measures will be taken by the administration to rationalize, monitor and control the travel expenditure of the Mission. The Committee trusts that economies will be realized and that they will be reflected in the performance report.**

Training

33. The Advisory Committee notes from the supplementary information provided to it that the estimates would cover the training of 101 staff during the 2004/05 financial period, at a total cost of $121,500, including $105,500 for training-related travel. The Committee also notes from the supplementary information that out of 17 training courses, 9 will be conducted at the United Nations Logistics Base at Brindisi, Italy (14 staff members to be trained), 1 in Sweden (2 staff members), 2 in Freetown (76 staff members), 1 at Headquarters (3 staff members), 2 in Geneva (2 staff members) and 2 in Addis Ababa, Capetown or Asmara (4 staff members).

34. **The Advisory Committee is of the view that not all elements of the proposed training programme appear to take full account of the downsizing and subsequent liquidation of the Mission. For example, as indicated in the supplementary information provided to the Committee, 38 staff members of the Civil Affairs Office would be trained in communication skills, public relations and reporting to improve their productivity and quality of service and to enhance their professional skills for future mission activities. However, the proposed staffing structure of the Civil Affairs Office for the period 2004/05 provides for a maximum strength of 31 staff, including 10 national staff and 8 United Nations Volunteers (see A/58/661, table 2).**

35. **The Committee stresses the need to keep the number of staff selected for training in proportion to the tasks to be implemented by the Mission and to its specific needs. The Organization invests considerable resources in training; the Committee trusts that upon liquidation, the skills acquired by staff will not be lost and will, where possible, be made available to other missions.**

Facilities and infrastructure

36. The Advisory Committee notes from the supplementary information provided to it that while the estimated requirements for facilities and infrastructure show an overall decrease of $28,490,500, or 64.3 per cent, from the apportionment for the current period, additional requirements are envisaged under several budget lines. For example, the Mission is planning to purchase, for a total of $30,000, three incinerators in connection with environmental protection activities; a total of $102,000 is proposed for the construction of vehicle workshops in the regions ($90,000) and for the establishment of a concrete foundation/shield-base for generators ($12,000); and $58,000 is envisaged for the purchase of pumps, chemicals and spare parts for water laboratory equipment. **The Committee cautions the Mission, in view of its eventual liquidation, against investing heavily in purchasing and installing expensive equipment with a long life expectancy, especially if such equipment is of limited utility outside UNAMSIL. The Committee trusts also that the Mission will meet its needs for spare parts, to the extent possible, through the use of written-off equipment.**

37. The Advisory Committee recalls that in its previous report on UNAMSIL it commented on the fact that the United Nations pays dual tentage and accommodation rates to contingents deployed to UNAMSIL when they remain in tents after the first six months of deployment, and pointed out that local contractors and locally available materials should be taken into account when considering the cost of hard-wall accommodation (see A/57/772/Add.3, para. 34). In response to the Committee's observation, the Secretary-General indicated in section V.A of his report (A/58/661) that "a survey of the local market in UNAMSIL (especially in remote areas in the sectors where the troops are accommodated) did not indicate availability of enough building construction materials and local contractors for erection and production of local hard-wall accommodation. In addition, the troops were required to be mobile, and thus, the tentage accommodation was the most suitable for this purpose".

38. **The Advisory Committee is concerned that no progress has been made by the administration of UNAMSIL in improving the living accommodation for troops. In view of the downsizing and eventual liquidation of the Mission, the issue of constructing hard-wall accommodation is becoming moot. However, the principle underlying the requirement that troops not remain in tents beyond six months should not be violated just for financial reasons. Further comments of the Committee on this issue are contained in its general report on the administrative and budgetary aspects of the financing of peacekeeping operations (A/58/759).**

Air transportation

39. The estimate for air transportation for the period ending 30 June 2005 amounts to $17,506,800, a decrease of $45,770,600 relative to the apportionment for the current period. The variance, as explained in paragraph 23 of the proposed budget (A/58/661), is due mainly to the early withdrawal of 11 medium helicopters and 1 heavy utility helicopter in September 2004 and of a further two medium utility, 2 heavy utility and 4 attack helicopters in December 2004, and to the lower rate of utilization of the AN-72 and the removal of the IL-76 aircraft.

40. The Advisory Committee was informed, however, that at the time of the preparation of the proposed budget for the 2004/05 period, the new policy prohibiting the movement of troops or personnel by heavy MI-26 helicopters had not been introduced; this policy was to take effect on 1 April 2004. Since UNAMSIL is currently using MI-26 helicopters for the transport of passengers, the implementation of the new policy would require the replacement of one MI-26 helicopter with eight MI-8 MTV helicopters. Two MI-26 helicopters will be retained for the movement of cargo to the sectors, force reserve deployment and the repatriation and rotation of contingent equipment. The Committee was informed that the new policy, as well as an overall increase in charter hire costs for commercial MI-8 helicopters, would lead to an additional requirement of approximately $13 million for the proposed budget for the period 2004/05. That amount would provide for the repatriation of three AS-330L helicopters by August 2004, four MI-8 helicopters by November 2004, five MI-8 MTV helicopters by October 2004 and two MI-26, four MI-24 and nine MI-8 MTV helicopters by 31 December 2004. **The Committee welcomes the efforts of the administration in managing the air assets of the Mission in the context of the new air transportation policy and trusts that lessons learned will be shared with other missions. The Committee is of the view that any additional requirements for UNAMSIL resulting from the implementation of the new air transportation policy should be reported in the context of the performance report for the period 2004/05.**

41. The performance report for the period 2002/03 reflects savings of $12.4 million under air transportation. The Advisory Committee was informed that the reported savings are due mainly to the non-utilization of the IL-76, the rental cost of which was included in the budget; additionally, the use of block and extra hours for aircraft under commercial contract, as opposed to contracting for available hours under letters of assist, proved to be more cost-effective for the Mission. **The Advisory Committee commends the Mission for the action taken in response to its recommendation on the discontinuation of the use of the executive jet in UNAMSIL.**

42. The Committee was informed that the dispute between the Mission and the Sierra Leone Airport Authority, which had remained unresolved for some time, was resolved in August 2003 and that all pending claims have been processed by using the financial resources of the 2003/04 budget. **The Committee trusts that the performance report for the financial period 2003/04 will provide detailed information on the claims settled with the Sierra Leone Airport Authority.**

Communications and information technology

43. While the total requirements under information technology, estimated at $1,600,400, reflect a decrease of $1,633,200, from the apportionment for the current financial period, considerable resources would be spent on acquisition of equipment ($107,000), information technology services ($343,000), rental of equipment ($557,000), maintenance and repair of equipment ($40,000), licences, fees and rental of software ($303,400) and spare parts and supplies ($250,000). The Advisory Committee notes that the total estimated requirements of $1,600,400 are only $534,100 less than the actual expenditure for the period ended 30 June 2003, when the Mission was at full strength. **The Committee trusts that the current inventory of desktop computers, laptop computers, printers and other information technology equipment will not be expanded and that the need for spare parts for information technology equipment will be met, to the extent possible, through the use of the written-off equipment. Economies realized should be reflected in the performance report.**

Property and inventory management

44. The Advisory Committee was informed that the Mission had established an assets liquidation team that identified, as of February 2004, an assets surplus in the amount of $40 million to be transferred to the United Nations Logistics Base or other missions. The Committee intends to provide its comments and recommendations on all aspects of assets disposal at UNAMSIL in the context of its review of the liquidation report for the Mission.

45. The Advisory Committee notes from the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations closed on 30 June 2003 that the value of UNAMSIL property pending write-off and disposal as at 30 June 2002 amounted to $1,603,225, of which the Mission was able to write off $1,244,479 as at 30 June 2003; moreover, the value of UNAMSIL property pending write-off and disposal as at 30 June 2003 amounted to $2,956,422. Thus, the value of property pending write-off and disposal at UNAMSIL has increased in one year by 84 per cent, which suggests, in the view of the Committee, that property write-off is not proceeding as can be expected, especially at the downsizing stage of the Mission. The Committee was informed that due to deficiencies associated with the field assets control system, there is not yet a reliable basis for inventory management. **The Committee expects that increased attention will be paid to the write-off and disposal process at UNAMSIL, to be undertaken in full compliance with the financial rules and procedures of the Organization.**

46. **The Advisory Committee also expects that since the new system of assets management, Galileo, is being introduced in peacekeeping operations, UNAMSIL will improve its inventory control practices.** In this connection, the Committee recalls that in paragraph 29 of its previous report on UNAMSIL (A/57/772/Add.3), it pointed out that in several instances property and inventory management required significant improvement. The Committee observes that the budget document (A/58/661) contains no information on what has been done to improve property and inventory management in the Mission. **The Committee recalls that budget documents for peacekeeping operations should contain information on actions taken in response to the recommendations made by the Committee and other oversight bodies and endorsed by the General Assembly.**

47. The Advisory Committee also recalls that the Board of Auditors noted that the procurement lead times were lengthy at some missions, including UNAMSIL (see A/58/5, vol. II, chap. II, para. 175).[1] The Committee was informed, upon enquiry, that the Procurement Section of the Mission has taken the necessary measures to minimize delays in the procurement process, including (a) monitoring requisition and tender timeliness, (b) establishing an expediting function to follow up on the receipt of orders, (c) improving the description of product and service specifications and (d) improving the selection of prospective suppliers. The Committee notes that the budget document does not identify separately outputs related to procurement. **The Committee requests that outputs related to procurement activity be clearly identified and reflected in future budgets of peacekeeping operations. Moreover, the procurement lead time should be included among indicators of achievement for support services.**

V. Conclusions of the Advisory Committee

48. The action to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 25 of the performance report (A/58/660). **The Committee recommends that the appropriation of $699,838,300, authorized by the General Assembly in its resolution 56/251 B for the maintenance of the Mission during the period from 1 July 2002 to 30 June 2003, be reduced to $633,447,400 and that the total apportionment granted by the Assembly in its resolutions 56/251 B and 57/291 A for the maintenance of the Mission during the same period be increased from $622,469,200 to $633,447,400. Moreover, the Assembly's decision is required on the treatment of other income and adjustments for the period ended 30 June 2003 in the amount of $27,223,300.**

49. The action to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 30 of the proposed budget (A/58/661). **In view of its comments above, the Advisory Committee recommends that the estimated budget requirement be reduced from $199,799,800 to $196,982,200.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2002 to 30 June 2003 (A/58/660)
- Report of the Secretary-General on the proposed budget for the United Nation Mission in Sierra Leone for the period from 1 July 2004 to 30 June 2005 (A/58/661)
- Report of the Secretary-General on the budget for the support account for the financial period 2004-2005 (A/58/715)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance of UNAMSIL (A/57/772/Add.3)
- General Assembly resolutions 56/251 B and 57/291 A on the financing of UNAMSIL
- Progress reports of the Secretary-General on UNAMSIL (S/2003/1201 and S/2004/228)
- Security Council resolutions 1270 (1999), 1289 (2000), 1346 (2001), 1389 (2002), 1400 (2002), 1436 (2002) and 1470 (2003)

Notes

[1] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5).

Annex I

Actual expenditure for the United Nations Mission in Sierra Leone for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Appropriation*	*Expenditure*
Military and police personnel		
Military observers	12 232.5	8 643.3
Military contingents	295 038.1	281 219.9
Civilian police	7 003.5	3 850.0
Formed police units	—	—
Subtotal	**314 274.1**	**293 713.2**
Civilian personnel		
International staff	38 868.2	28 333.2
National staff	3 765.0	2 208.5
United Nations Volunteers	4 692.1	3 423.1
Subtotal	**47 325.3**	**33 964.8**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	24.3	46.9
Official travel	960.0	804.7
Facilities and infrastructure	44 326.1	40 745.4
Ground transportation	7 383.3	4 566.0
Air transportation	63 277.4	44 317.8
Naval transportation	—	—
Communications	15 304.4	12 025.0
Information technology	2 676.6	2 643.5
Medical	14 954.0	14 176.7
Special equipment	6 167.8	6 167.8
Other supplies, services and equipment	3 140.3	1 924.7
Quick-impact projects	240.0	226.4
Subtotal	**158 454.2**	**127 644.9**
Gross requirements	**520 053.6**	**455 322.9**
Staff assessment income	5 882.4	4 693.5
Net requirements	**514 171.2**	**450 629.4**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**520 053.6**	**455 322.9**

Annex II

Summary of the United Nations Mission in Sierra Leone logistical support to the National Electoral Commission

As at 17 February 2004

Requirements	*Quantity*	*Remarks*
Supplies	-	-
Furniture	-	-
Table	18	-
Computer table	6	-
Conference table	1	-
White board	2	-
White board marker	12	-
White board eraser	2	-
Wastepaper basket	6	-
Wall clock	2	-
Kettle	1	-
Fuel supply for generators	Based on consumption	-
Maps	-	-
District election map	1 set	Geographic Information System to assist
Map boards	6	Same size as in UNAMSIL operations room at Kissy
Engineering	-	-
Water supply at Kissy election centre	Based on consumption	-
Power supply	24/7	-
Wiring of NEC data-processing centre at Kissy	2 rooms	-
Communications and information technology	-	-
Installation of cables for NEC data-processing centre at Kissy	2 rooms	-
Install VHF radio base stations in 12 district headquarters		Ongoing project
14 VHF radio sets in the process of installation in NEC vehicles		Ongoing project
Communications equipment/spares issued		
HF mobile radios	31	
VHF mobile radios	31	
Hand-held radios — VHF	18	
Telephones — analogue/digital	20	

Requirements	*Quantity*	*Remarks*
Telephone cables — 3 roll (6 pairs)	3	
Telephone cables — 1 roll (20 pairs)	1	
Distribution box (100 pairs)	1	
Telephone boxes	20	
Cellphones	11	
Commercial communications charges	11	
Photocopier	1	
Microwave radios, DXR-100	1	
Uninterruptible power supply 5-KVA	1	
Cisco router	1	
Miscellaneous spares and supplies		
Information technology equipment/spares issued		
Desktop computers	13	
Laptop computers	7	
Printer desktop	5	
Network switch	1	
Uninterruptible power supply-700 Smart	13	
Miscellaneous cables, connectors, etc.		
Public information section		
Use of Radio UNAMSIL and comedians for sensitization of Sierra Leoneans on the local government elections		
Air operations		
2 flights		
Transport	-	-
Provision of mechanical handling equipment at Lungi to unload voter registration materials from aircraft	1	15-ton capacity
Issued 2x MHE equipment at Kissy to load/unload voter registration materials	2	5-ton capacity
Movement and Control and the Joint Movement Control Centre distributing voter registration material all over the country using 18 UNAMSIL vehicles and the transport assets of Ukrainian transport battalion	18 UNAMSIL vehicles and Ukrainian transport battalion assets	Ongoing project

United Nations A/58/759/Add.4

General Assembly

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Fifty-eighth session
Agenda items 134 and 137

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Peacekeeping Force in Cyprus

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$43,652,700
Expenditure for 2002/03	$43,644,100
Appropriation for 2003/04	$43,798,800
Proposal submitted by the Secretary-General for 2004/05	$47,448,700
Recommendation of the Advisory Committee for 2004/05	$47,240,400

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 21 (b) and (f) below would entail a reduction of $208,300 in the proposed budget for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2004 to 30 June 2005 (see A/58/644). The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the Force and opportunities for further savings.**

04-30888 (E) 290404

2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNFICYP.**

3. UNFICYP was established by the Security Council in its resolution 186 (1964) of 4 March 1964. From its inception until 15 June 1993, the costs of the Force were met by the Governments providing contingents, the Government of Cyprus and voluntary contributions to UNFICYP. In accordance with General Assembly resolution 47/236 of 14 September 1993, the costs of the Force since 16 June 1993 that were not covered by voluntary contributions have been assessed on Member States. Voluntary contributions equal to one third of the annual cost of UNFICYP have been made on a continuing basis by the Government of Cyprus, while the Government of Greece has been making annual contributions of $6.5 million.

4. The documents used by the Advisory Committee in its consideration of the financing of UNFICYP are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

5. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/502 of 27 June 2002, appropriated to the Special Account for UNFICYP an amount of $45,632,400 for the period from 1 July 2002 to 30 June 2003, inclusive of $43,652,700 for the maintenance of the Force, $1,767,900 for the support account for peacekeeping operations and $211,800 for the United Nations Logistics Base at Brindisi, Italy. One third of the appropriation, equivalent to $14,578,900, was funded through voluntary contributions from the Government of Cyprus and the amount of $6.5 million was funded by the Government of Greece. Expenditures for the period totalled $43,644,100 gross ($41,922,400 net). The resulting unencumbered balance of $8,600 represents, in gross terms, 0.02 per cent of the appropriation of $43.7 million.

6. Key resource variances include savings for rotation travel of military and civilian police personnel as the result of the combined rotation travel of two contingents and the negotiation of more favourable rates for emplacement travel with commercial carriers, offset by additional requirements for international staff owing to an increase during the reporting period in the post adjustment multiplier from 0 to 19.1 and for national staff as the result of the introduction of a revised national salary scale as of 1 February 2002. Currency rate fluctuations also resulted in increased requirements under national staff and facilities and infrastructure.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005 in section IV below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $216,492,200 had been assessed on Member States in respect of UNFICYP since 16 June 1993. Payments received as at 29 February 2004 amounted to $195,571,000, leaving an outstanding balance of $20,921,200. As at 29 February 2004, the cash position of the Force was $19.3 million and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $1,053,350.

9. Troop cost reimbursement from 16 June 1993 to 31 January 2003 totalled $146,488,200, while the amount owed for the period from 1 February 2003 to 29 February 2004 was $18,058,300. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $6,605,800 had been reimbursed and the estimated amount owed was $2,253,000, while unliquidated obligations for the period up to 30 June 2004 totalled $717,500. In respect of death and disability compensation, $1,237,000 had been paid as at 29 February 2004 for 23 claims, no claims were pending and unliquidated obligations amounted to $320,000.

10. The Advisory Committee notes that troop costs have not been reimbursed since January 2003. The Committee was informed, however, that owing to an improvement in the cash situation of the mission, payments would be made on 7 April 2004 in the amounts of $15.3 million for troop costs for the period from February to December 2003 and $1.6 million for contingent-owned equipment.

11. As at 29 February 2004, the incumbency for UNFICYP for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized[a]	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military contingents	1,230	1,219	0.9
Civilian police	69	47	31.9
International staff	45	41	8.9
National staff	105	101	3.8

[a] Represents the highest authorized strength for the period.

12. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I). Expenditure for the period amounted to $37,054,500 gross ($35,822,400 net) against an apportionment of $43,798,800 gross ($42,096,500 net).

13. In a letter dated 19 August 2003 addressed to the Chairman of the Advisory Committee by the Controller (see annex II), the Committee was informed that additional requirements of $783,100 would arise from the decision of the Security Council in its resolution 1486 (2003) of 11 June 2003 to increase the UNFICYP civilian police component by no more than 34 officers. At that time, it was also expected that expenditures related to the increase of the civilian police component would be accommodated from within the existing appropriation for UNFICYP.

14. However, the Advisory Committee was subsequently told that, on the basis of a review and analysis of requirements for the 2003/04 period conducted by UNFICYP, an overexpenditure of approximately $1.6 million was projected for the Force for the period owing to additional requirements relating to the increase of the civilian police component in accordance with Security Council resolution 1486 (2003); the increase in the post adjustment multiplier for international staff to 25.8 in July, 27.6 in August and 31.4 in November 2003; and foreign exchange fluctuations. Upon request, the Committee was provided with a breakdown of the $1.6 million (see annex I). The Committee was informed that the projected overexpenditure would be reported in the budget performance report for UNFICYP for the 2003/04 period, at which time additional appropriation would be sought from the General Assembly.

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

15. The representatives of the Secretary-General briefed the Advisory Committee on negotiations between the Greek Cypriot and Turkish Cypriot parties, which had resumed on 19 February 2003 under the auspices of the mission of good offices of the Secretary-General. The mission is aimed at reaching a comprehensive settlement in Cyprus by 1 May 2004 and facilitating the reunited country's entry into the European Union. However, the Committee understands that for purposes of preparation of the proposed budget for the 2004/05 period, it was assumed that UNFICYP would be required to continue under its present mandate and functions. Needless to say, a successful conclusion of the negotiations through a settlement would necessitate a reassessment of the mission and United Nations activities based on the terms of the agreement, including a thorough review of budgetary issues. Should there be a need for revised estimates, the Committee would revert to the matter in that context.

16. Upon request for details concerning the extent of cooperation between UNFICYP and the good offices of the Secretary-General, the Advisory Committee was informed that UNFICYP provides administrative, technical and logistical support to the good offices in a number of areas. Certifying and approving officers of UNFICYP act as certifying and approving officers for the good offices. In the area of public information, the UNFICYP Spokesperson provides media support and briefs the press on the activities of the good offices and the progress of the peace talks. UNFICYP military and civilian police components provide security arrangements for the peace talks, which take place in the United Nations Protected Area. In addition, the Chief of Mission, the Senior Adviser and the Chief Civil Affairs Officer provide assistance on substantive issues.

A. Mandate and planned results

17. **The Advisory Committee commends UNFICYP for the improvements it has made to its results-based budgeting format and encourages further improvement.** The Committee observes, for example, that the overall objective for the mission is described differently in the performance report for the 2002/03 period than it is in the proposed budget for the 2004/05 period. The performance report

contains the more mission-specific objective "to help the Security Council achieve an overall objective, namely, to ensure peace and security in Cyprus and the return to normal conditions" (A/58/631, para. 4), whereas the objective in the proposed budget reads "to help the Security Council achieve an overall objective, namely to maintain international peace and security" (A/58/644, para. 2). **The Committee urges the Secretariat to strive to formulate more mission-specific overall objectives where possible.** The Committee has commented on results-based budgeting concerns in its general report on peacekeeping operations (see A/58/759).

B. Resource requirements

1. Military and police personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
Military contingents	1,230	1,230
Civilian police	69[a]	69

[a] Represents the highest level of authorized strength for the period. By its resolution 1486 (2003), the Security Council authorized an increase in the civilian police component of UNFICYP (at that time 35 officers) by no more than 34 officers.

18. An increase of $564,500, or 2.5 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for the 2004/05 period. The variance is attributable mainly to increased requirements for reimbursement of a troop contributor for equipment deployed to UNFICYP since June 2001, for which a memorandum of understanding was signed in October 2003, and to the increase of the authorized civilian police component from 35 to 69. Estimates for civilian police take into account a 10 per cent delayed deployment factor for mission subsistence and clothing allowances, as well as travel costs.

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff	45	48
National staff	105	110

19. An increase of $2,411,800, or 25 per cent, in comparison with the apportionment for the current period is proposed under civilian personnel for the 2004/05 period. The variance is attributable mainly to additional provisions for salaries, common staff costs and staff assessment in connection with the proposed establishment of four new international posts (1 P-3 and 3 P-2) and five new national posts (4 interpreters and 1 information technology assistant), as well as the upgrading of the post of Chief Administrative Officer from the P-5 to the D-1 level. Estimates for the 2004/05 period are based on a 4 per cent vacancy rate for international staff and a 1 per cent vacancy rate for national staff.

Recommendations on posts

20. The Advisory Committee notes that some of the staffing changes proposed represent resubmissions of requests made in the 2003/04 period. A number of factors made the consideration of post requests for the 2004/05 period difficult. As part of the results-based presentation, for example, the staffing of an office may appear under different components, making it hard to know how many staff the office comprises in total and how many new posts are requested for the office. For example, staffing of the Civil Affairs Branch appears under both the substantive civilian and the civilian police components, in different parts of the document. This is rendered even more confusing by the very sketchy organizational chart shown in the annex to the proposed budget. Upon request, the Committee was provided with a more detailed organizational chart (see annex III). **While the Committee does not question the results-based logic behind this presentation, it is of the opinion that an overview of the organizational structure of the mission, including the requests for new posts, is necessary. It therefore requests that, in future, the proposed budgets for all the peacekeeping missions include an organizational chart such as the one for UNFICYP provided to the Committee upon request (ibid.).**

21. The proposed staffing structure of UNFICYP provides for the following changes:

(a) *One P-2 Associate Public Information Officer, Office of the Spokesperson (see A/58/644, table 2).* This post is requested to assist in handling the surge in media interest resulting from the progress in the settlement negotiations and the opening of new crossing points. The request for this post is a resubmission of a request which was made for the current period, but with very different justifications. The Advisory Committee did not recommend approval of the post in the 2003/04 period. **Nevertheless, owing to the increase in public information activities arising from recent developments, the Committee now recommends approval of the post;**

(b) *Two P-2 Civil Affairs Officers, Civil Affairs Branch (ibid., table 4).* These two new posts are requested in relation to the opening of new crossing points. The incumbents would provide assistance to civilian police officers in ensuring the orderly and safe passage of people and vehicles at authorized crossing points, as well as the delivery of humanitarian assistance. **In the opinion of the Advisory Committee, the need for these posts has not been adequately demonstrated, especially in view of the request for four additional national staff, also in relation to the new crossing points. These functions should therefore be carried out from within existing resources, including national staff;**

(c) *Four national staff (General Service) posts, interpreters, Civil Affairs Branch (ibid.).* As indicated in the proposed budget, these posts are requested in relation to the opening of new crossing points, as well as the increase in the authorized strength of the civilian police component. Incumbents would provide translation and interpretation services to substantive and civilian police components in interventions with the public, communications with official interlocutors and in court proceedings. **The Advisory Committee recommends approval of the four posts;**

(d) *Reclassification of the post of Chief Administrative Officer from P-5 to D-1, Division of Administration (ibid., table 5).* This reclassification is a resubmission of a request made in the proposed budget for the 2003/04 period, which the Advisory Committee did not recommend for approval. In connection with the proposed budget for the 2004/05 period, however, the Committee was provided with a more detailed justification for the reclassification. It is requested, as indicated in the proposed budget, in view of the increased scope of responsibilities of the Chief Administrative Officer resulting from the expanded delegation of authority in financial management and the increase in the civilian police component and civilian personnel as a result of the opening of the crossing points. Upon enquiry, the Committee was informed that, with regard to the delegation of financial authority, the Chief Administrative Officer now had responsibility for the prioritization of resource distribution; the determination, in consultation with the Department of Peacekeeping Operations, of the allocation of approved resources among field and headquarters cost centres; the allocation of resources between field cost centres; and the redeployment of funds between expenditure classes (the authorized strength of military and police personnel and the staffing table, however, cannot be exceeded). In the area of procurement, the Chief Administrative Officer exercises authority to approve the award of contracts up to $200,000 and write-off of mission property up to $25,000. In addition, in this mission, there is a large amount of local procurement and outsourcing for which the Chief Administrative Officer is responsible. **The Advisory Committee recommends approval of the reclassification;**

(e) *One Field Security Officer (P-3), Division of Administration (ibid.).* As indicated in the proposed budget, the establishment of this post is proposed in accordance with the current security standard operating procedures for peacekeeping operations established by the United Nations Security Coordinator and the Department of Peacekeeping Operations. The establishment of the post is to be offset by the abolition of one post at the Security Service level. The Advisory Committee recalls that a Security Service post had been requested in the 2003/04 period and was approved by the General Assembly. However, in accordance with current security standard operating procedures, the request should have been for an international post. The current request is therefore merely intended to regularize the situation. **The Advisory Committee recommends approval of the post;**

(f) *One national staff (General Service) post, information technology assistant (ibid.).* The establishment of an additional information technology assistant post is requested to support the operation and maintenance of UNFICYP information technology systems. **The Advisory Committee notes from the detailed organizational chart provided to it (see annex III) that the staffing of the Electronic Support Services already includes 15 national staff. In the opinion of the Committee, this should be sufficient and additional technical functions, if any, should be absorbed from within existing capacity. The Committee recommends against the establishment of this post.**

22. The Advisory Committee exchanged views with the representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series to the 100 series of the Staff Rules. As regards UNFICYP, the Committee was informed that cost implications for the conversion of the contractual status of staff members from the 300 series to the 100 series of the Staff Rules in the 2004/05 period were not included in the budget

estimates for 2004/05 for the mission. The comments of the Committee on this issue are contained in its general report on peacekeeping operations (A/58/759).

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$11,145,000	$,818,600

23. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent an increase of $673,600, or 6 per cent, as compared with the apportionment for the current period.

Official travel and training

24. The estimate for official travel for the 2004/05 period, as shown in section II.I of the proposed budget, amounts to $233,900, a decrease of $32,600 in comparison to the amount of $266,500 apportioned for the 2003/04 period. The main reason for the decrease, as stated in paragraph 13 of the proposed budget, is lower requirements for training-related travel attributable to the implementation of "train-the-trainer" programmes.

25. The Advisory Committee notes from the supplementary information provided to it that during the 2004/05 financial period, 38 staff are to be trained at an estimated total cost of $84,620, including $60,480 for training-related travel. In the proposed budget for the 2003/04 period (A/57/687 and Corr.1) the estimate was for 116 staff to be trained at a cost of $161,700, including travel costs of $80,500. **The Committee commends the mission for the efforts it has made to use training resources more efficiently and encourages it to continue to monitor this item carefully.**

Inventory management

26. The Advisory Committee notes from the additional information provided to it that the process of writing off equipment is slow in the mission. For example, 120 monitors and 111 computers at a total value of $151,541 were pending write-off as of 30 June 2003. **Priority action should be taken to improve inventory management in the mission.**

V. Conclusions of the Advisory Committee

27. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 14 of the performance report (A/58/631). **The Advisory Committee recommends that the unencumbered balance of $8,600, as well as other income/adjustments in the amount of $1,925,000, be credited to Member States in a manner to be determined by the Assembly.**

28. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 21 of the proposed budget (A/58/644). **Taking into account its**

recommendations in paragraphs 21 (b) and (f) above, the Advisory Committee recommends that the estimated budget requirements of $47,448,700 be reduced by $208,300. Accordingly, the Committee recommends that the General Assembly appropriate an amount of $47,240,400 gross ($44,916,600 net) for the maintenance of UNFICYP for the 12-month period from 1 July 2004 to 30 June 2005, including $21,472,200 net to be funded through voluntary contributions from the Government of Cyprus ($14,972,200) and the Government of Greece ($6.5 million).

Documentation

- Report of the Secretary-General: performance report on the budget of UNFICYP for the period from 1 July 2002 to 30 June 2003 (A/58/631)
- Report of the Secretary-General on the proposed budget for UNFICYP for the period from 1 July 2004 to 30 June 2005 (A/58/644 and Corr.1)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance of UNFICYP (A/57/772/Add.4 and Corr.1)
- General Assembly resolution 57/332 on the financing of UNFICYP
- Progress report of the Secretary-General on the United Nations operation in Cyprus (S/2003/1078)
- Security Council resolutions 186 (1964), 1486 (2003) and 1517 (2003)

Annex I

Breakdown of additional requirements for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Apportionment* (1)	*Actual expenditures as at 29 February 2004* (2)	*Projected expenditures to 30 June 2004* (3)	*Variance* (4)=(3)-(1)
Military and police personnel				
Military observers	—	—	—	—
Military contingents	22 769.6	21 884.9	22 769.6	—
Civilian police	239.3	241.7	278.8	39.5
Formed police units	—	—	—	—
Subtotal	**23 008.9**	**22 126.6**	**23 048.4**	**39.5**
Civilian personnel				
International staff	5 481.5	3 461.0	6 546.7	1 065.2
National staff	4 163.4	2 612.6	4 596.4	433.0
United Nations Volunteers	—	—	—	—
Subtotal	**9 644.9**	**6 073.6**	**11 143.1**	**1 498.2**
Operational costs				
General temporary assistance	50.0	30.5	50.0	—
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	—	—	—	—
Official travel	266.5	78.2	166.5	(100.0)
Facilities and infrastructure	5 004.2	4 144.7	5 270.9	266.7
Ground transportation	1 745.0	1 774.8	1 973.1	228.1
Air transportation	1 400.4	1 402.0	1 439.5	39.1
Naval transportation	—	—	—	—
Communications	889.5	477.6	788.0	(101.5)
Information technology	779.7	462.4	646.6	(133.1)
Medical	207.0	177.8	207.0	—
Special equipment	306.0	—	205.0	(101.0)
Other supplies, services and equipment	496.7	306.3	463.7	(33.0)
Quick-impact projects	—	—	—	—
Subtotal	**11 145.0**	**8 854.3**	**11 210.3**	**65.3**
Gross requirements	**43 798.8**	**37 054.5**	**45 401.8**	**1 603.0**
Staff assessment income	1 702.3	1 232.1	1 908.2	(205.9)
Net requirements	**42 096.5**	**35 822.4**	**43 493.6**	**1 808.9**
Voluntary contributions in kind (budgeted)	1 318.3	—	1 318.3	—
Total requirements	**45 117.1**	**37 054.5**	**46 720.1**	**1 603.0**

Annex II

Letter dated 19 August 2003 from the Controller addressed to the Chairman of the Advisory Committee on Administrative and Budgetary Questions

The Security Council, by its resolution 1486 (2003) of 11 June 2003, endorsed the increase of the civilian police component of the United Nations Peacekeeping Force in Cyprus (UNFICYP) by no more than 34 officers in order to meet the increased workload resulting from the partial ea ing of restrictions on island-wide freedom of movement.

Additional resource requirements arising from the decision of the Security Council are estimated at $783,100 and would cover the phased deployment of 34 civilian police officers and 7 civilian staff (3 international and 4 national), the rental of vehicles and the acquisition of accommodation, communications, information technology and miscellaneous equipment and services.

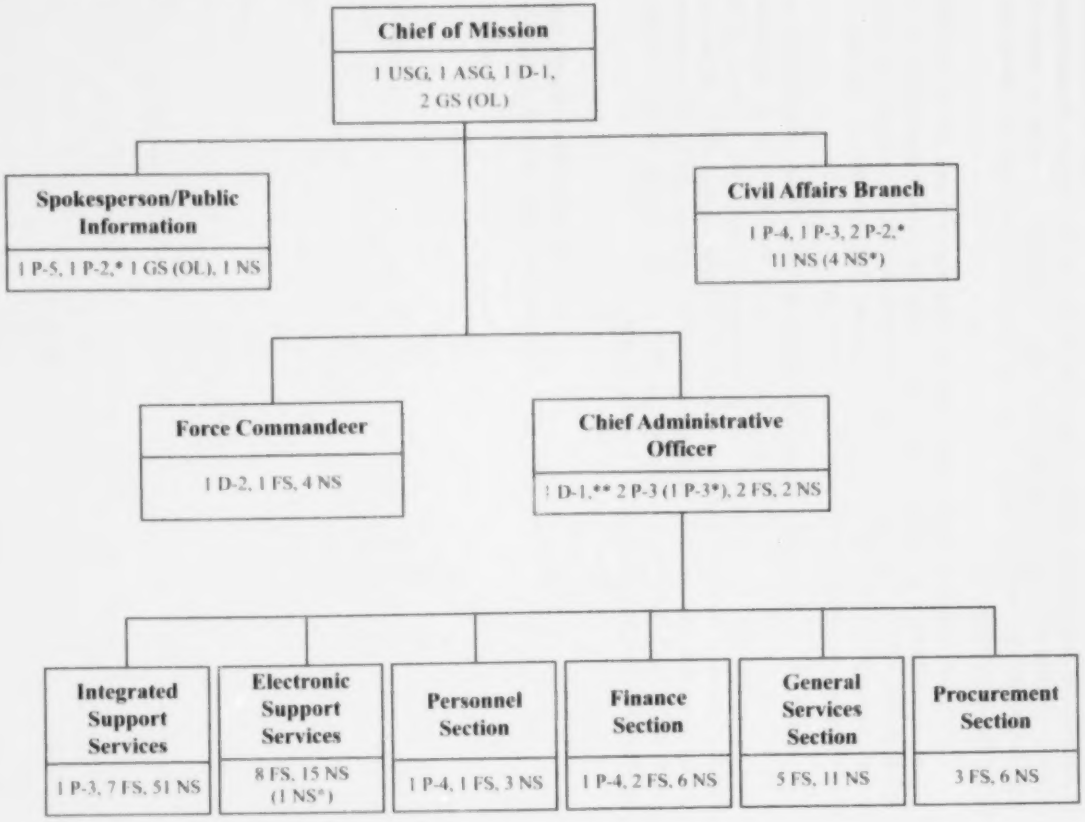
In view of the marginal additional requirements ($783,100) compared to the appropriation for UNFICYP provided by the General Assembly in its resolution 57/332 ($43,798,800), it is expected that expenditures related to the increase of the UNFICYP civilian police component would be accommodated from within the existing appropriation. Should additional funding be required, additional resources would be sought from the Assembly in the context of the Force's budget performance report for the 2003/04 financial period.

(*Signed*) Jean-Pierre **Halbwachs**
Assistant Secretary-General, Controller

Annex III

Organization chart of the United Nations Peacekeeping Force in Cyprus

Budget period 2004/05


Chief of Mission
1 USG, 1 ASG, 1 D-1, 2 GS (OL)
Spokesperson/Public Information
1 P-5, 1 P-2,* 1 GS (OL), 1 NS
Civil Affairs Branch
1 P-4, 1 P-3, 2 P-2,* 11 NS (4 NS*)
Force Commandeer
1 D-2, 1 FS, 4 NS
Chief Administrative Officer
1 D-1,** 2 P-3 (1 P-3*), 2 FS, 2 NS
Integrated Support Services
1 P-3, 7 FS, 51 NS
Electronic Support Services
8 FS, 15 NS (1 NS*)
Personnel Section
1 P-4, 1 FS, 3 NS
Finance Section
1 P-4, 2 FS, 6 NS
General Services Section
5 FS, 11 NS
Procurement Section
3 FS, 6 NS

* New post.
** Upgrade.
FS = Field Service.
GS (OL) = General Service (Other level).
NS = National staff.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Interim Administration Mission in Kosovo

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Interim Administration Mission in Kosovo

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$330,000,000
Expenditure for 2002/03	$329,967,800
Appropriation for 2003/04	$315,518,200
Proposal submitted by the Secretary-General for 2004/05	$272,210,800
Recommendation of the Advisory Committee for 2004/05	$264,625,200

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 18 below would entail a reduction of $7,585,600 to the proposed budget for the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2004 to 30 June 2005 (see A/58/638). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNMIK.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNMIK are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/295 of 27 June 2002, appropriated to the Special Account for UNMIK the amount of $344,966,100 for the period from 1 July 2002 to 30 June 2003, inclusive of $330,000,000 for the maintenance of the Mission, $13,364,900 for the support account for peacekeeping operations and $1,601,200 for the United Nations Logistics Base at Brindisi, Italy. The appropriation reflected a reduction of $61,076,200 from the proposed initial estimate of the Secretary-General of $391,076,200 (see A/56/802). Expenditures for the period from 1 July 2002 to 30 June 2003 totalled $329,967,800 gross ($304,885,300 net) (see A/58/634, sect. III.A).

5. The unencumbered balance of $32,200 gross for the period reflects a budget implementation rate of 99.9 per cent and constitutes an improvement of 9.9 per cent compared to 2001/02.

6. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2004 to 30 June 2005, in section III below.

III. Information on performance for the current period

7. The Advisory Committee was informed that, as at 29 February 2004, a total of $1.872 billion had been assessed on Member States in respect of UNMIK since its inception. Payments received as at the same date amounted to $1.657 billion, leaving an outstanding balance of $214.3 million. As at 29 February 2004 and in view of the cash position, an amount of $16 million had been loaned from the United Nations Transition Assistance Group. Unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $11.9 million.

8. A total of $14,887,000 was due to Member States for reimbursement of civilian police costs as at 31 December 2003; the amount of $12,247,000 was paid during 2003, covering costs up to December 2002. As regards contingent-owned equipment, the Advisory Committee was informed that, as at 31 December 2003, the amount of $11,333,000 was owed to Member States for contingent-owned equipment costs; unliquidated obligations for the period up to 30 June 2004 amounted to $5,085,000. In respect of death and disability compensation, $489,000 had been paid as at 31 December 2003 for 13 claims, 31 claims were pending (3

death claims, 2 illness claims and 26 injury claims) and unliquidated obligations amounted to $5,950,000 (see also para. 16 below).

9. The Advisory Committee was provided with the following table showing incumbency as at 29 February 2004:

Category of personnel	*Posts authorized*[a]	*Posts planned (average)*[b]	*Posts encumbered*	*Vacancy rate (percentage)*
Military observers	38	38	34	2.6
Civilian police	3 400	3 170	2 545	19.7
Formed police units	1 203	1 088	934	14.2
International staff	1 049	959	842	12.2
National staff	3 130	2 946	2 802	4.9
United Nations Volunteers	250	250	214	14.4

[a] Represents the highest authorized strength for the period.
[b] Represents planned strength for 1 January to 31 March 2004.

10. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex). Expenditure for the current period amounted to $218,565,800 gross ($206,802,400 net), against an apportionment of $315,518,200 gross ($295,813,800 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

11. The Advisory Committee commends the progress achieved in the results-based budget presentation of UNMIK for the 2004/05 period. Its comments and observations are contained in its general report on the financing of peacekeeping operations (A/58/759). In that report, the Committee notes that the objective "to help the Security Council maintain international peace and security" is the same indicated for all peacekeeping missions. **The Advisory Committee is of the opinion that an effort should be made to state the objective for UNMIK on the basis of the specific mandate established by the Security Council for the Mission. In addition, the coordination with other entities should be better reflected in the presentation.**

12. The Advisory Committee notes that the transfer of non-reserved responsibilities listed in chapter 5 of the Constitutional Framework is now largely complete. However, the transfer does not affect the overall authority of UNMIK and the Kosovo Force under Security Council resolution 1244 (1999) or the Special Representative's reserved responsibilities under chapter 8 of the Constitutional Framework. UNMIK will continue to monitor closely and intervene as necessary to ensure compliance of the Provisional Institutions with resolution 1244 (1999) at both the central and municipal levels. The Committee understands that a comprehensive review of progress will take place in mid-2005 to ascertain whether the political process to determine Kosovo's future status can be initiated (see S/2004/71).

13. **The Advisory Committee points out that although the Mission may continue to downsize, the situation is unpredictable. In a number of cases the resources proposed reflect redeployment and reprioritization rather than a reduction in view of the sensitive tasks which remain to be performed. The Committee has taken the foregoing into consideration when making its recommendations on resources in the paragraphs below.**

B. Resource requirements

1. Military and police personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
Military liaison officers[a]	38	38
Civilian police[a]	3 400	3 055
Formed police units[a]	1 203	973

[a] Represents highest level of authorized/proposed strength.

14. The $20,121,400 (17.1 per cent) decrease in military and police personnel costs, compared to the $117,385,700 apportionment for the 2003/04 period, is the result of the lower resource requirements associated with the progressive reduction of civilian police from 3,055 in July 2004 to 2,195 by June 2005, lower resource requirements resulting from the repatriation of three formed police units during the last quarter of the financial period and related lower costs for major equipment. Moreover, the Advisory Committee notes that 37 police stations will be handed over to the Kosovo Police Service and that two special police unit camps will close during the financial period (see para. 25 below).

15. The underexpenditures of $3,707,600 under military and police personnel reported in the performance report for 2002/03 were due mostly to the non-obligation of funds for death and disability compensation of civilian police — in view of the fact that sufficient resources were available to cover outstanding claims — and to lower requirements for mission subsistence allowance of civilian police resulting from a vacancy rate of 9.3 per cent (originally budgeted at 8 per cent).

16. The Advisory Committee requested information on the delay in processing two claims for death compensation during 2003 (see A/58/705, para. 47, table 14 B). The Committee was informed that the delay was due to the need to obtain all the relevant requirements from the claimants and to the longer processing time related to criminal enquiries. **The Advisory Committee trusts that efforts will be made to settle death and disability claims in a more expeditious manner, in accordance with established procedures.**

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff[a]	1 049	910
National staff[b]	3 130	2 830
United Nations Volunteers	250	250

[a] Represents highest level of authorized/proposed strength.
[b] Includes national officers and national general service staff.

Recommendations on posts

17. A reduction of $8,254,700 (5.7 per cent) in civilian personnel costs is proposed, compared to the apportionment of $145,295,200 for the 2003/04 period. This takes into account the progressive reduction of international staff which began on July 2002 and is projected to decrease further from 910 in July 2004 to 775 by June 2005, the conversion of 223 international staff from the 300 to the 100 series, the projected number of staff encumbering posts at lower levels (283) and the revised salary scales approved effective 1 January 2003. The related staff costs include a 10 per cent vacancy rate for international staff, as is the case for the current period. Resources for national staff also reflect the planned reduction from 2,830 in July 2004 to 2,707 posts by June 2005. A 3 per cent vacancy rate is applied to staff costs, compared to 8 per cent applied during the current financial period.

18. **The comments of the Advisory Committee on the conversion of staff from the 300 to the 100 series are contained in its general report on peacekeeping operations, in which the Committee requests that the proposal be presented in a comprehensive manner to the General Assembly at its fifty-ninth session, in the context of the Secretary-General's report on human resources management policies. The Committee further recommended that action by the Secretariat on conversion from the 300 to the 100 series be deferred. The Committee was informed that an amount of $7,585,600 had been included in the UNMIK budget for the conversion. Accordingly, the civilian personnel costs should be reduced by $7,585,600. However, as indicated in its general report, the Committee has serious doubts about the accuracy of the figures provided. It requests detailed and well-justified information in the next submission on this subject.**

19. Besides the further downsizing of international and national staff for the 2004/05 period, structural changes include:

- Establishment of a new Office of the Coordinator of the Kosovo Protection Corps with 20 posts (10 International, 5 National and 5 United Nations Volunteers posts) (see A/58/638, table 2)
- Strengthening of the Office of Returns and Communities with 7 additional posts (3 International, 2 National and 2 United Nations Volunteers posts) to a total of 27 posts under component 1, substantive civilian (ibid.)
- Establishment of a new Financial Investigations Unit with 8 posts (7 International and 1 United Nations Volunteer posts) to conduct sensitive financial investigations (ibid., table 3)

- Establishment of a Financial Information Centre (3 International posts) to enforce recently enacted money-laundering legislation (ibid.)
- Strengthening the International Judicial Support Division with one D-1 post for the Special Chamber of the Supreme Court on the Kosovo Trust Agency (ibid.).

20. **The establishment of these new units, or the strengthening of existing ones, is related to the monitoring tasks to be performed by the Mission. The necessary staff requirements are to be met through the reprioritization and redeployment of staff resources. Under the circumstances, the Advisory Committee has no objection to these proposals, or to the proposed new structures of the Mission indicated in document A/58/638, tables 2 and 3.**

Other observations and recommendations

21. The overexpenditure of $4,286,500 under civilian personnel costs, reported in the 2002/03 performance period (see A/58/634), resulted mostly from the fact that the budget had been prepared on the basis of the average annual cost of international staff rather than standard costs. The $8,600,300 overrun under international staff resulted mostly from the revised post adjustment rates approved effective November 2002, new salary scales for Professional staff and above and Field Service staff (100 and 300 series) effective January 2003, approval of special post allowance for staff performing functions at a higher level, a decrease in the number of staff appointed at lower levels than authorized and increased separation costs resulting from the downsizing of the Mission. The overexpenditures for international staff were offset by underexpenditures of $3,457,900 under national staff, resulting from recruitment at lower levels than authorized (see A/58/634, sect. III.A).

22. **The Advisory Committee has called attention to the consistent recruitment of international staff at grades lower than those approved in the authorized staffing table of the Mission and pointed out the need for a review and even the reclassification of such posts (see A/57/772/Add.5, para. 22). The Committee notes the response provided in section V.A. of the Secretary-General's report (A/58/638). However, information provided to the Committee for the period from July 2003 to January 2004 shows an average of 17 per cent of posts filled at lower levels for D-1 and P-5 categories and of 20 per cent and 37 per cent, respectively, for the P-4 and P-3 categories.**

23. The Advisory Committee was informed that many of the functions included monitoring standards in the reserved areas, hence the need for a more gradual downsizing of senior-level posts. **However, in view of the foregoing, the Committee reiterates the need for a review and reclassification of the posts in UNMIK (see also the Committee's general report (A/58/759)).**

24. **The Advisory Committee encourages greater use of national staff wherever feasible and cost-effective (see A/57/772, para. 80), as well as of United Nations Volunteers.**

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$52,837,300	$37,906,000

25. Operational costs for the Mission are proposed to be reduced by $14,931,300 (28.3 per cent) to $37,906,000 for the 2004/05 period. Most of the decrease is reflected under facilities and infrastructure — from $21,228,000 in 2003/04 to $16,109,300 for 2004/05. This is due mostly to the reduction in the number of premises maintained by the Mission, following the handover of 37 police stations to the Kosovo Police Service and the closure of two special police unit camps (see para. 14 above). Savings are therefore projected under maintenance services ($1,309,300) through the outsourcing of six management and maintenance services, spare parts and supplies ($585,500) and maintenance supplies ($523,600), among others. In addition, a decrease in requirements of $1,942,700 is also envisaged under security services, in view of outsourcing for unarmed security services for the compound in Kosovo under a service contract which began in December 2003. **The Advisory Committee is of the opinion that the estimates of savings are conservative and that further savings may be achieved under operational costs as a result of the reduction in personnel and the outsourcing of management and maintenance services. Moreover, as the Mission downsizes, the trend of expenditures in all areas should be closely monitored. The Committee is not recommending a reduction at this stage, but further savings achieved should be shown in the performance report.**

26. Resources for ground transportation show a decrease of $2,965,200 (32.1 per cent) compared to the apportioned amount of $9,247,200 for the 2004/05 period. The vehicle fleet will decrease from 2,717 to 1,910 during that period. UNMIK is proposing to replace 98 vehicles during 2004/05 (compared to 240 budgeted to be replaced during 2003/04), to write off 692 light and 2 heavy vehicles by June 2005 in view of age and condition and to transfer 377 light and 33 heavy vehicles to other missions by June 2004. **In this connection, the Advisory Committee trusts that the vehicles shipped meet policy guidelines (three years serviceable life, fully refurbished) so as to ensure that the transfer is cost-effective.**

27. **The Advisory Committee commends the Mission for the introduction of initiatives such as the vehicle CarLog system, safe driving courses, vehicle winterization programmes, suspension of licences owing to drunken driving, maintenance schedules and enforcement of strict administrative instructions, which led to a reduction of vehicle accidents from 20 per month in the 2001/02 period, to 14 during the 2002/03 period, to a projection of 10 for the 2004/05 period. The Committee is of the opinion that the experience of such initiatives should be shared with other peacekeeping missions.**

28. Proposed resources for communications and information technology decreased by $1,982,400 (28.6 per cent) and $1,161,700 (20.8 per cent), compared to the 2003/04 respective apportionments of $6,937,600 and $5,578,200. The resources for acquisition of communications equipment ($569,000) reflect an increase of $17,000 for the acquisition of communications equipment to be used in the backbone structure established during the 2002/03 period, taking into account the size and scope of the network as well as equipment identified for write-off. The Advisory Committee was further informed that while the number of personnel in the Mission

were being reduced, the network would not change, since the Mission would continue to support the current number of locations.

29. The resources under general temporary assistance during the performance period showed overexpenditures of $219,200, compared to the amount of $322,500 apportioned for the 2002/03 period. **The Advisory Committee is not convinced that some of those tasks could not be carried out by Mission staff and believes that such requests should be rationalized.** The resources for 2004/05 amount to $105,600, as apportioned for 2003/04.

30. For the 2002/03 reporting period, training expenditures amounted to $512,500, an overrun of $21,100. The 2004/05 estimate for training amounts to $392,900 for the training of 2,402 staff members, a decrease of $148,000 compared to the resources requested for the 2003/04 period. This is due to reduced requirements for fees, in view of the fact that most training will take place in the United Nations Logistics Base at Brindisi. **The Advisory Committee requests that the reassignment of trained staff be monitored so that future use of their acquired skills is assured. The comments and observations on the issue of training are contained in the Committee's general report on peacekeeping operations (see A/58/759).**

31. In its previous report on the financing of UNMIK, the Advisory Committee pointed out the need to monitor carefully and lower bank charges (A/57/772/Add.3, para. 53). **The Committee welcomes the reduction in the costs for bank charges for 2004/05 to $440,000 (a 70.7 per cent reduction compared to the budgeted provision of $1,500,000 for the current period) as a result of a decrease in fees obtained through negotiation with the banks.**

32. The Advisory Committee further enquired as to the variances owing to European currency and United States dollar fluctuations, which led to overruns in a number of budget items indicated in the performance report for the 2002/03 period. The Committee was informed that a total loss owing to currency fluctuations of $2,264,600 had been identified under acquisition of office furniture ($700), spare parts and supplies ($12,100), commercial communications ($467,700) and loss on exchange ($1,784,100).

C. Other matters

33. The Advisory Committee also had before it the report of the Office of Internal Oversight Services on the investigation into the fraudulent diversion of $4.3 million by a senior staff member of the United Nations Interim Administration Mission in Kosovo who had been assigned to the reconstruction pillar administered by the European Union (Pillar IV) (see A/58/592). The Committee notes that most of the funds unlawfully obtained have been recovered and that a criminal conviction against the perpetrator has been obtained (ibid., paras. 22 and 33).

34. **The Advisory Committee is particularly concerned about two issues made evident in this investigation: first, the systemic failure to detect deception in the recruitment stage or to allow better communication in this connection among the different pillars, in this case UNMIK and the European Union; and second, the lack of management oversight in Pillar IV, where the abuses were reported.** The Committee requested additional information on measures taken to avoid recurrence of such events. In this connection, the Committee was informed that an inter-agency task force on corruption had been set up and a joint working group (UNMIK/European

Union) had been established to harmonize recruitment procedures, and that UNMIK had accommodated requirements to strengthen temporarily internal audit capacity by utilizing an available vacant post. Moreover, the Committee notes that the resident auditor capacity is proposed to increase from four to five posts, including an additional post at the P-5 level for the 2004/05 period (see A/58/715, paras. 94 and 95 (c)).

V. Conclusions of the Advisory Committee

35. The action to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 22 of the performance report (see A/58/634, sect. V). **The Advisory Committee recommends that the unencumbered balance of $32,200, as well as other income/adjustments in the amount of $10,772,000, for the period from 1 July 2002 to 30 June 2003 be credited to the Member States in a manner to be determined by the General Assembly.**

36. The action to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 24 of the budget report (see A/58/638, sect. IV). **Taking into account its recommendation in paragraph 18 above, the Advisory Committee recommends that the estimated budget requirement of $272,210,800 be reduced by $7,585,600. Accordingly, the Committee recommends that the Assembly appropriate an amount of $264,625,200 gross ($248,409,400 net) for the maintenance of the Mission for the 12-month period from 1 July 2004 to 30 June 2005.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2002 to 30 June 2003 (A/58/634)
- Report of the Secretary-General on the proposed budget for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2004 to 30 June 2005 (A/58/638)
- Note by the Secretary-General on the investigation into the fraudulent diversion of $4.3 million by a senior staff member of the reconstruction pillar of the United Nations Interim Administration Mission in Kosovo (UNMIK) (A/58/592)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of the United Nations Interim Administration Mission in Kosovo (A/57/772/Add.5)
- Reports of the Secretary-General on the United Nations Interim Administration Mission in Kosovo (S/2003/996 and S/2004/71)
- General Assembly resolutions 56/295 and 57/326 on the financing of the United Nations Interim Administration Mission in Kosovo
- Security Council resolution 1244 (1999)

Annex

Actual expenditures for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditures as at 29 Feb. 2004*
Military and police personnel		
Military observers	1 174.2	911.7
Military contingents	3 452.5	3 452.5
Civilian police	93 728.6	59 410.9
Formed police units	19 030.4	16 943.7
Subtotal	**117 385.7**	**80 718.8**
Civilian personnel		
International staff	101 749.7	73 609.9
National staff	35 399.4	23 853.7
United Nations Volunteers	8 146.1	5 191.8
Subtotal	**145 295.2**	**102 655.4**
Operational costs		
General temporary assistance	167.6	161.6
Government-provided personnel	–	–
Civilian electoral observers	–	–
Consultants	–	–
Official travel	1 666.7	956.1
Facilities and infrastructure	21 228.0	14 974.2
Ground transportation	9 247.2	8 210.8
Air transportation	2 906.7	1 162.2
Naval transportation	–	–
Communications	6 937.6	4 740.6
Information technology	5 578.2	2 443.8
Medical	762.4	386.2
Special equipment	110.9	110.9
Other supplies, services and equipment	4 294.0	2 045.2
Quick-impact projects	–	–
Subtotal	**52 837.3**	**35 191.6**

Category	*Apportionment*	*Expenditures as at 29 Feb 2004*
Gross requirements	**315 518.2**	**218 565.8**
Staff assessment income	19 704.4	11 763.4
Net requirements	**295 813.8**	**206 802.4**
Voluntary contributions in kind (budgeted)	-	-
Total requirements	**315 518.2**	**218.565.8**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: financing of the United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$112,042,500
Expenditure for 2002/03	$107,596,800
Appropriation for 2003/04	$90,000,000
Proposal submitted by the Secretary-General for 2004/05	$94,741,200
Recommendation of the Advisory Committee for 2004/05	$92,960,300

I. Introduction

1. **The recommendations of the Advisory Committee contained in paragraphs 16 and 28 below, would entail a reduction of $1,780,900 to the proposed budget for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2004 to 30 June 2005. The Committee also makes a number of observations and recommendations with regard to the administration and management of the Force and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNIFIL.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNIFIL are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 56/214 B of 27 June 2002, appropriated to the Special Account for UNIFIL an amount of $117,123,800 for the period from 1 July 2002 to 30 June 2003, inclusive of $112,042,500 gross for the maintenance of the Force, $4,537,700 for the support account and $543,600 for the United Nations Logistics Base at Brindisi, Italy. The total amount appropriated has been assessed on Member States.

5. Expenditures for the period totalled $107,596,800 gross ($103,076,600 net), which is $4,445,700, or 4.0 per cent, lower than the appropriation of $112,042,500.

6. The unutilized balance of $4,445,700 reflects a decrease of $2,486,300 under military and police personnel, due primarily to savings under travel on emplacement, rotation and replacement; an increase of $546,100 under civilian personnel, which is attributable mainly to a salary increase for national staff effective 1 August 2002; and a decrease of $2,505,500 under operational costs, which is attributable mainly to: (a) a decision not to purchase large-capacity generators; (b) lower than anticipated cost of repair and maintenance services for vehicles and armoured personnel carriers, as a result of the reduction in the fleet size from 750 to 695 vehicles; and (c) a successful settlement of landlords' claims.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2004 to 30 June 2005 in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $3,510,735,712 had been assessed on Member States in respect of UNIFIL since its inception. Payments received as at the same date amounted to $3,241,477,620, leaving an outstanding balance of $269,258,092. As at 1 March 2004, the cash position of the mission was $120,900,000 and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $7,034,203.

9. The Advisory Committee was informed that troop-cost reimbursement up to 31 October 2003 totalled $1,097,011,811, while the amount owed for the period from 1 November 2003 to 29 February 2004 was $9,131,328. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $25,916,700 had been reimbursed and the estimated amount owed was

$11,483,700, while unliquidated obligations for the period up to 30 June 2004 totalled $8,049,709. In respect of death and disability compensation, $20,261,500 had been paid as at 29 February 2004 for 453 claims. No claims were pending and unliquidated obligations amounted to $5,864,500.

10. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNIFIL for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military contingent personnel	2,000	1,994	0.3
International staff	124	115	7.2
National staff	305	296	2.9

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004, as at 29 February 2004 (see annex). Expenditure for the period amounted to $67,720,300 gross ($65,044,600 net), against an apportionment of $90,000,000 gross ($86,200,900 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

12. **The Advisory Committee commends the mission for the progress it has made in formulating its budget document using results-based techniques. However, the list of expected accomplishments under component 2, support, reflects, in the opinion of the Committee, indicators of achievement, rather than expected accomplishments. Moreover, some indicators of achievements (e.g., 1.1.1 and 1.2.1) should be made measurable to allow an objective analysis of progress made in the implementation of the achievement.**

13. Upon enquiry, the Committee was provided with information on the humanitarian aspects of the mission's activities. As indicated therein, UNIFIL cooperates with the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the International Committee of the Red Cross and other entities active in the region on a number of issues, such as providing, on a limited scale, medical services in its hospital in Naqoura and other positions in the area of operations, distributing used clothing collected by non-governmental organizations that provide shelter, food and drinking water in hardship and emergency situations, as well as heating oil for the poor during the winter; UNIFIL also cooperates with the Economic and Social Commission for Western Asia in providing technical assistance to South Lebanon and with the United Nations Development Programme in the implementation of the Post-Conflict Economic Rehabilitation Programme for Southern Lebanon. **Taking this information into account, the Committee points out that the programme of work of UNIFIL reflected in its proposed budget should encompass all mandated activities authorized by the Security Council.**

B. Resource requirements

1. Military and police personnel

Category	Approved 2003/04	Proposed 2004/05
Military contingent personnel	2,000	2,000

14. An increase in resource requirements of $115,600, or 0.3 per cent, in comparison with the apportionment for the current period, is proposed under military and police personnel for 2004/05. The increase is due to the higher cost of rations, which is estimated at $7.13 per person per day, compared to the current cost of $6.13. The mission anticipates that the increased cost of rations will ensure better quality of food products in the rations. **The Committee commends the mission for its efforts to improve the quality of rations. The Committee points out, however, that proper management procedures and practices, such as increased competition during the bidding process and tighter control at the various stages of food production and transportation, should be the main tool in improving food quality in rations.**

2. Civilian personnel

Category	Approved 2003/04	Proposed 2004/05
International staff	124	124
National staff	305	348

Recommendations on posts

15. *Reclassification of a national General Service post to a national Professional officer post (associate political affairs officer), in the Office of the Force Commander.* The Committee notes, from paragraphs 7 and 8 of the budget document (A/58/659), that the reclassification is being proposed, owing to the fact that "UNIFIL now requires extensive interactions with the Lebanese Government and non-government authorities, for which staff at the national officer level are the most suitable" and that "National Officers will liaise with official and unofficial parties in the area of operations on issues related to operational and security matters and will analyse and keep the Force Commander abreast of political and socio-economic developments". **The Advisory Committee recommends acceptance of the proposed reclassification.**

16. *Conversion of 45 individual special service agreements into 45 national posts (fixed-term contracts under the 100 series) in the areas of engineering, procurement, general services, transport and communications* (see A/58/659, para. 9). The Committee was informed, upon enquiry, that the functional breakdown of the 45 posts is as follows: 16 interpreters/translators, 2 information technology technicians, 6 radio technicians, 6 communications assistants/switchboard operators, 1 liaison/humanitarian assistant, 1 cook, 6 drivers and 7 skilled maintenance workers (1 carpenter, 1 welder, 2 tilers, 1 design engineer, 1 heavy engineering vehicle

mechanic and 1 assistant sewage truck operator). As indicated in paragraph 9 of the budget document, "an overall survey by the Department of Peacekeeping Operations revealed that these posts pertain to core functions on a continuous basis, for which the current individual contracts are not appropriate". **The Advisory Committee has provided extensive comments on this matter in its general report on peacekeeping operations (A/58/759). Taking those comments into account, the Advisory Committee is not convinced that sufficient justification for the proposed conversion has been provided in the budget submission or orally during its consideration of the budget. Therefore, the Committee does not recommend acceptance of the proposed conversion.**

17. *Abolition of two national General Service posts in connection with self-sustainment arrangements for the Ghanaian contingent for cleaning and laundry services* (see A/58/659, para. 10). **The Advisory Committee has no objection to the proposal.**

18. *Reclassification of one national General Service post to a national Professional officer post, (associate procurement officer/civilian administrative representative in Beirut) Administrative-Procurement Office in Beirut (UNIFIL House)* (see A/58/659, paras. 11 and 12). The Committee notes that the Beirut Office has evolved into the centre for administrative, procurement and protocol matters and that 97 per cent of goods and services are now channelled through Lebanon, compared to 36 per cent in the year before the withdrawal of the Israel Defense Forces. The budget submission lists the responsibilities of the national Professional officer post as follows: researching the market and vendor performance, evaluating and selecting suppliers, analysing responses to tenders and authorizing purchases, in line with delegated authority, or preparing submissions to the Contracts Committee. **The Advisory Committee recommends acceptance of the proposed reclassification.**

19. The Advisory Committee exchanged views with representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. As regards UNIFIL, the Committee was informed that the cost implications for conversion of the contractual status of staff members from the 300 to the 100 series of the Staff Rules in the period 2004/05 was not included in the budget estimates for 2004/05 for the mission. The comments of the Committee on this issue are contained in its general report on peacekeeping operations.

Other observations and recommendations

20. The Advisory Committee sought information on UNIFIL staff on temporary duty assignment to other missions and headquarters. According to the Secretariat, 106 international staff (1 P-3 and 105 FS) and 41 local staff were on such assignment as at February 2004. The Committee notes that some staff remain on temporary duty assignment for as long as 10 years, moreover, the number of Field Service staff on temporary duty assignment (105) exceeds by 29 posts the authorized level of 76 Field Service posts for UNIFIL. The Advisory Committee was informed, upon enquiry, that the temporary duty assignment situation in the mission did not have an adverse effect on UNIFIL activities. The administration recognized, however, that there may be a time delay before a staff member on temporary duty assignment is replaced; but as UNIFIL is a family mission, it is, in general, not

difficult to attract candidates for replacements and these new arrivals bring to UNIFIL their experience from another duty station. **Nevertheless, the Committee is of the view that the temporary nature of staff assignments to other missions should not be compromised. The Committee requests that measures be taken to improve the temporary duty assignment situation at UNIFIL and reported on accordingly in the next budget submission for the mission (see also the Advisory Committee's general report, A/58/759).**

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$21,371,800	$20,104,700

Official travel

21. The estimate for official travel for 2004/05 amounts to $376,100, reflecting a decrease of $50,300, compared with the amount of $426,400 apportioned for 2003/04 (see A/58/659, sect. II.1). The total of $376,100 includes a provision of $150,000 for training-related travel. The Committee notes from the supplementary information provided to it that the estimated total of $226,100 for official (non-training) travel would be required for within-mission travel ($50,000), travel of UNIFIL personnel to headquarters and other locations ($99,700) and travel of headquarters staff to the mission ($76,400).

22. **The Committee finds information on travel provided to it to be rather vague. In future, information provided to justify proposed travel should be directly linked to specific activities/outputs implemented by the Force.**

Training

23. Training requirements are estimated at $350,000, including training-related travel of $150,000. The Committee observes from the supplementary information provided to it that the description of training courses is largely vague and is usually given for the whole groups of staff without specifying who exactly will undergo what type of training. For example, 20 staff of the Communications and Information Technology Section (current staffing — 39 posts) will undertake technical training and seminars in Brindisi and Lebanon; 10 staff of the Supply Section (current staffing — 14 posts) will take logistic support and inventory management courses in Brindisi and other European locations as centrally arranged and coordinated by the Department of Peacekeeping Operations; 100 staff of the Personnel Section (current staffing — 17 posts) would undergo core competencies training in UNIFIL to build and maintain the professional and managerial competences and skills of staff.

24. **The Committee questions the basis on which the mission determined the number of staff that should undergo training. The Committee is also concerned that no indication is given as to what would be achieved as a result of the training programmes. The Committee points out that this approach to presenting training requirements is not consistent with the principles of the results-based budgeting.**

25. **The Advisory Committee requests that information on training requirements to be submitted to it in the future should, inter alia, contain a brief description of training courses with an indication of specific areas of staff training and results that are expected to be achieved in terms of the impact of such training on outputs and activities implemented by the Force. In this connection, the Advisory Committee draws attention to the recommendation of the Board of Auditors that the Administration evaluate the effectiveness of training actions in order to assess whether they have met individual and organizational goals.**[1]

Ground transportation

26. The estimate for ground transportation for the period ending 30 June 2005 amounts to $5,485,000, a decrease of $1,281,800 or 18.9 per cent, in relation to the apportionment for the current period. The variance, as explained in paragraph 22 of the proposed budget, is due mainly to lower costs of vehicle acquisition, resulting from the need to replace trucks and mobile equipment with light vehicles, and to the usage of the car-log system that should result in efficiency gains of 10 per cent in the cost of maintenance costs and spare parts, as well as in petrol, oil and lubricants. The Committee was informed that the car-log system would enable the mission to have full control of vehicle movements, such as logging for each trip, fuel consumption control, physical location (security) and anti-theft features. **The Committee commends the efforts taken by UNIFIL in installing and maintaining the car-log system in the mission area and requests that other missions that currently do not have car-log systems consider installing them, when feasible and cost-effective.**

27. The Committee notes that the number of vehicles provided by UNIFIL for international staff exceeds the recommended standard ratios. For example, while the standard ratios of the number of staff to the number of vehicles are 2.5 for international substantive staff, 2.5 for international support staff of the Division of Administration and 4.5 for other international staff, the mission's projected ratios are 1.0 for international substantive staff (4 vehicles for 4 staff), 1.2 for international staff of the Division of Administration (67 vehicles for 80 staff) and 3.0 for other international staff (12 vehicles for 35 staff). **The Committee requests that the mission take the necessary measures to bring its vehicle assignment into conformity with the standard ratios.**

Other supplies, services and equipment

28. The estimated requirements of $2,114,200 under other supplies, services and equipment reflects an increase of $479,600 over the apportionment of $1,634,600 for the current period. The Committee notes from the supplementary information provided to it that this increase is due mainly to additional requirements of $428,000 under miscellaneous claims and adjustments, which compares with the apportionment of $150,000 for the current period. The increased requirements are due to outstanding claims carried over from the previous financial years that are expected to be settled during the 2004/05 financial period. According to the Secretariat, the estimates for miscellaneous claims are based on current and anticipated claims resulting from the downsizing and restructuring of UNIFIL and the return of privately owned real property to landowners. **The Committee is concerned that its acceptance of the estimated requirements may be construed**

as a prejudgement of the outcome of the claims negotiation process. Moreover, savings under actual claims negotiated in the performance report demonstrate a tendency on the part of the administration to overbudget this item. It is for these considerations that the Advisory Committee does not recommend the proposed additional requirements of $428,000 under miscellaneous claims and adjustments. The Committee trusts that the mission will negotiate the settlement of all outstanding claims under the most favourable conditions and with minimum cost to the Organization. The Committee also requests that detailed expenditures related to settlement of outstanding claims be reflected in the performance report for the period 2004/05.

Assets management

29. **The Committee welcomes the efforts of UNIFIL that have resulted in the timely write-off and disposal of redundant and outdated equipment.** The Committee notes that the value of property pending write-off and disposal decreased from $28.4 million, as at 30 June 2002, to $10.9 million, as at 30 June 2003. The Committee was informed during its consideration of the budget estimates that the mission had donated written-off equipment, such as computers and printers to other United Nations agencies, funds and programmes and to local schools. **The Committee welcomes this approach and encourages other United Nations peacekeeping missions to follow it, when feasible. At the same time, the Committee is concerned about the Board of Auditors' finding that "redundant items awaiting disposal were not properly stored and protected from natural elements at the United Nations Interim Force in Lebanon, which could result in the decrease of any potential disposal income to be obtained on disposal thereof" (see A/58/5 (vol. II, para. 52 (e))). The Committee requests that UNIFIL take the necessary steps to improve the storage of redundant items.**

V. Conclusions of the Advisory Committee

30. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 16 of the performance report (A/58/637). **The Advisory Committee recommends that the unencumbered balance of $4,445,700, as well as other income and adjustments in the amount of $11,343,000, be credited to Member States in a manner to be determined by the General Assembly.**

31. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 28 of the proposed budget (A/58/659). **In view of its comments above, the Advisory Committee recommends that the estimated budget requirements be reduced from $94,741,200 to $92,960,300.**

Documentation

- Performance report on the budget of UNIFIL for the period from 1 July 2002 to 30 June 2003 (A/58/637)
- Proposed budget for UNIFIL for the period from 1 July 2004 to 30 June 2005 (A/58/659)
- Progress reports of the Secretary-General to the Security Council on UNIFIL (S/2004/50) and (S/2003/728)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of UNIFIL (A/57/772/Add.6)
- Security Council resolution 1525 (2004)
- General Assembly resolutions 56/214 B and 57/325 on the financing of UNIFIL
- Report of the Board of Auditors on the accounts of United Nations peacekeeping operations for the financial period ended 30 June 2003 (A/58/5 (vol. II))

Notes

[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5), vol. II, para. 255.

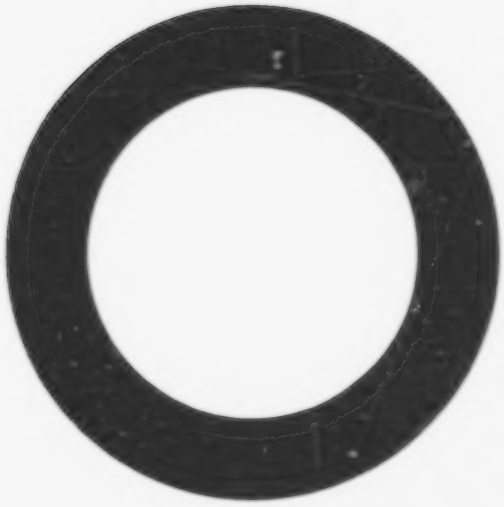
Annex

Actual expenditures for the United Nations Interim Force in Lebanon for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditures*
Military and police personnel		
Military observers	-	-
Military contingents	40 521.4	37 376.8
Civilian police	-	-
Formed police units	-	-
Subtotal	**40 521.4**	**37 376.8**
Civilian personnel		
International staff	15 022.0	11 845.7
National staff	13 084.8	7 312.8
United Nations Volunteers	-	-
Subtotal	**28 106.8**	**19 158.5**
Operational costs		
General temporary assistance	48.0	46.8
Government-provided personnel	-	-
Civilian electoral observers	-	-
Consultants	-	-
Official travel	426.4	198.3
Facilities and infrastructure	7 124.4	4 813.7
Ground transportation	6 766.8	1 323.2
Air transportation	1 444.9	908.9
Naval transportation	-	-
Communications	1 213.3	888.0
Information technology	1 300.7	672.7
Medical	763.1	521.0
Special equipment	649.6	562.3
Other supplies, services and equipment	1 634.6	1 250.1
Quick-impact projects	-	-
Subtotal	**21 371.8**	**11 185.0**
Gross requirements	**90 000.0**	**67 720.3**
Staff assessment income	3 799.1	2 675.7
Net requirements	**86 200.9**	**65 044.6**
Voluntary contributions in kind (budgeted)	-	-
Total requirements	**90 000.0**	**67 720.3**



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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$38,991,800
Expenditure for 2002/03	$38,975,700
Appropriation for 2003/04	$40,009,200
Proposal submitted by the Secretary-General for 2004/05	$40,902,100
Recommendation of the Advisory Committee for 2004/05	$40,715,700

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 16 and 19 below would entail a reduction of $186,400 to the proposed budget for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2004 to 30 June 2005 (see A/58/662). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Force and opportunities for further savings.**

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2. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNDOF.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNDOF are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, by its resolution 56/294 of 27 June 2002, appropriated to the Special Account for UNDOF the amount of $40,760,200 for the period from 1 July 2002 to 30 June 2003, inclusive of $38,991,800 gross for the maintenance of the Force, $1,579,200 for the support account and $189,200 for the United Nations Logistics Base at Brindisi, Italy. The total amount of the appropriation has been assessed on Member States.

5. Expenditures for the period totalled $38,975,700 gross ($37,969,300 net), which is $16,100 lower than the appropriation of $38,991,800 (see A/58/641, sect. III.A).

6. The unutilized balance was attributable primarily to a revised rations contract, a favourable exchange rate of the Syrian pound to the United States dollar and lower requirements for the acquisition of vehicles, petrol, oil and lubricants. The unspent balance was offset in part by additional requirements attributable to: (i) higher staff assessment costs and common staff costs than budgeted; (ii) an increase in national staff salaries and entitlements effective July 2002; (iii) unforeseen travel necessitated by the security situation in the region; and (iv) higher than anticipated consumption of electricity and water for the ongoing construction projects.

7. The Advisory Committee notes from section III.B of the performance report that a total of $1,875,000 is indicated for other income and adjustments for the period, comprising $1,190,000 in interest income, $240,000 for other miscellaneous income and $454,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $9,000 for prior-period adjustments. **The Committee requests that future performance reports include an explanation of prior-period adjustments.**

8. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005, in section IV below.

III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 29 February 2004, a total of $1,389,105,851 had been assessed on Member States in respect of UNDOF since its inception. Payments received as at the same date amounted to $1,362,038,991,

leaving an outstanding balance of $20,255,869. As at 1 March 2004, the cash position of the mission was $21,100,000 and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $2,488,761.

10. The Advisory Committee was informed that troop cost reimbursement up to 31 October 2003 totalled $182,476,068, while the amount owed for the period from 1 November 2003 to 29 February 2004 was $4,714,963. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, $1,335,800 had been reimbursed and the estimated amount owed was $2,457,300, while unliquidated obligations for the period up to 30 June 2004 totalled $1,303,000. In respect of death and disability compensation, $5,245,500 had been paid as at 29 February 2004 for 149 claims, no claims were pending and unliquidated obligations amounted to $1,255,000.

11. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNDOF for the period from 1 July 2003 to 30 June 2004 was as follows:

	Posts authorized	*Posts encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military contingents	1 037	1 038	0
International staff	40	37	7.5
National staff	92	92	0

12. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex). Expenditure for the period amounted to $29,915,900 gross ($29,164,300 net) against an apportionment of $40,009,200 gross ($39,027,100 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

13. **The Advisory Committee commends the mission for the progress it has made in formulating its budget document (A/58/662) using results-based techniques. However, the indicator of achievement for expected accomplishment 1.1 should, in the view of the Committee, be made measurable to allow an objective analysis of progress in implementation of the achievement.** The Committee also notes that the results-based budgeting framework for UNDOF does not contain a substantive civilian component in the performance report or the proposed budget for the Force.

14. The Advisory Committee was provided, upon enquiry, with information on the humanitarian aspects of the mission's activities. As indicated therein, UNDOF cooperates with the United Nations Children's Fund, the International Committee of the Red Cross and other entities and agencies active in the region on a number of issues, such as sharing of information on demining activity and facilitating the passage of people; UNDOF medical staff also provides emergency care to the local

population who need such help. **Taking this information into account, the Committee points out that the programme of work of UNDOF reflected in its proposed budget should encompass all mandated activities authorized by the Security Council.**

B. Resource requirements

1. Military and police personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
Military contingents	1 037	1 037

15. A reduction in resource requirements of $168,900, or 0.9 per cent, from the apportionment for the current period, is proposed for military and police personnel for 2004/05. The reduction reflects mainly a decrease in the unit price for rations, taking into account the actual expenditure of the last four years, as opposed to the standard costs of $7 a day per person. The Advisory Committee was informed, upon enquiry, that the decrease in the unit price for rations did not have an adverse impact on the quality of rations.

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff	40	41

Recommendations on posts

16. *One new P-3 post, Security Officer, Office of the Force Commander (A/58/662, para. 7).* The Advisory Committee notes that, currently, the functions of a security officer at UNDOF are being carried out by a military observer of the United Nations Truce Supervision Organization (UNTSO) assigned to UNDOF as Security Coordinator for United Nations agencies in the Syrian Arab Republic. This military observer was loaned to UNDOF on a temporary basis as initially agreed between the Chief of Staff of UNTSO and the Force Commander of UNDOF, on the understanding that this arrangement would last only until such time as budgetary provision could be made to provide a civilian replacement. The Committee was informed, upon enquiry, that considering the most recent security developments in the United Nations missions, it was essential that a fully qualified civilian expert be assigned to UNDOF as a security officer. **The Advisory Committee is of the view that the proposal for the establishment of a P-3 post of Security Officer in UNDOF should be considered in the context of an overall review of security requirements of United Nations peacekeeping operations. Therefore, the Committee does not recommend the establishment, at this stage, of the P-3 post.**

17. *Reclassification from P-5 to D-1, Chief Administrative Officer (A/58/662, para. 8).* The Advisory Committee recalls that in the context of its review of the budget proposal for the period 2003/04, it had recommended against the upgrading

of the P-5 post of Chief Administrative Officer. The General Assembly, in paragraph 11 of its resolution 57/324, requested the Secretary-General to resubmit with full justification his request concerning the proposed upgrade of the Chief Administrative Officer in connection with the budget proposal for the period from 1 July 2004 to 30 June 2005. The Committee observes, in this connection, that the proposal for the reclassification has been resubmitted with the following two new elements of justification: (i) in line with the three-year modernization programme, UNDOF is actively pursuing greater integration of military and civilian support functions to facilitate the enhancement of substantive support to the mission, which will involve greater responsibility on the part of the Chief Administrative Officer; and (ii) a greater delegation of authority from Headquarters has increased the responsibilities of the Chief Administrative Officer. **On this basis, the Committee recommends acceptance of the proposed reclassification.**

18. *Three Local-level posts (two in the Communications Section for an information technology technician and a rigger and one in the General Services Section for a receiving and inspection/field expendable supply system clerk) (A/58/662, para. 9).* The Advisory Committee recalls that the General Assembly, in paragraph 10 of its resolution 57/324, authorized these three posts for a period not to exceed one year and invited the Secretary-General to resubmit with full justification the request for these posts in connection with the budget proposal for the period from 1 July 2004 to 30 June 2005. The Committee points out that the modernization of the data network infrastructure, as well as the implementation of the Galileo system in peacekeeping operations, are ongoing projects of UNDOF which should bring about efficiency gains and allow better opportunities for moving resources to the areas where they are needed most. The Committee is of the view that the need for additional staffing resources for information technology and assets control would be more clearly known when the infrastructure modernization and the implementation of Galileo are completed. **The Committee does not object to the continuation of these three Local-level posts for the 2004/05 period. However, the need for these posts for the period beyond June 2005 should be justified in the next budget submission for UNDOF. The Committee intends to revisit the matter in the light of the developments in the infrastructure modernization programme and in the implementation of the Galileo projects.**

19. *Conversion of 14 casual labour positions outsourced to an individual contractor into 14 national posts in the areas of general services, procurement and engineering (A/58/662, para. 10).* The Advisory Committee was informed that the proposed conversion would result in an increase of $251,100 under national staff, to be partially offset by a decrease of $112,600 under maintenance services. The Committee was also informed, upon enquiry, that the functional breakdown of the 14 posts is as follows: 1 data processing assistant (FACS-Galileo); 1 maintenance technician; 1 registry and archive support; 2 electricians; 1 senior electrician; 1 generator mechanic; 2 construction technicians (mason); 1 carpenter; 1 draftsperson; 1 construction technician (painter); 1 plumber; and 1 water-sewage technician. As indicated in paragraph 10 of the budget document, "an overall survey by the Department of Peacekeeping Operations revealed that these posts concern core functions on a continuous basis, for which the current contract is not appropriate". **The Advisory Committee is not convinced that sufficient justification for the proposed conversion has been provided in the budget submission or orally during the deliberations. The Committee is of the opinion that efforts should be**

made by the administration of UNDOF to find suitable outsourcing arrangements, taking into account the comments on this matter in its general report on peacekeeping operations (see A/58/759). The Committee does not recommend the proposed conversion and intends to revisit the issue next year.

Other observations and recommendations

20. The performance report includes an overrun of $31,100 that was incurred in connection with overtime payments to national staff who drive shuttle buses of the mission. The Advisory Committee recalls, in this connection, its previous observation on the issue that **"to minimize expenses, if feasible, other alternatives should be considered, such as requesting staff to assemble at convenient centralized locations for pickup and dropoff"** (A/57/772/Add.7, para. 20). The Committee notes that part V of the proposed budget does not contain information on action taken in response to its observation. **While the Committee was provided, upon request, with additional information on the matter, it is not satisfied with the administration's response. Therefore, the Committee reiterates its recommendation that alternative solutions to door-to-door pickups should be found.**

21. The Advisory Committee exchanged views with the representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. As regards UNDOF, the Committee was informed that the cost implications for the conversion of contractual status of staff members from the 300 to the 100 series of the Staff Rules in the period 2004/05 were not included in the budget estimates for 2004/05 for the mission. The comments of the Committee on this issue are contained in its general report on peacekeeping operations.

3. **Operational costs**

Apportioned 2003/04	*Proposed 2004/05*
$13 743 400	$12 743 300

22. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent a decrease of $1,000,100, or 7.3 per cent, from the apportionment for the current period. The decrease is due mainly to: (i) reduced requirements for the acquisition of information technology equipment, since most of the worn or obsolete equipment will be replaced during the current financial period; (ii) reduced requirements under facilities and infrastructure, since most of the construction work in the context of the modernization programme will be completed in the 2003/04 period; and (iii) reduced requirements under other supplies, services and equipment, as most of the air conditioners for buildings constructed under the modernization programme will be purchased in 2003/04.

Official travel

23. The estimate for official travel for 2004/05, as shown in section II.1 of the proposed budget, amounts to $300,700, an increase of $5,400, from the amount of $295,300 apportioned for the 2003/04 period. The total of $300,700 reflects a provision of $89,300 for training-related travel. The Advisory Committee notes

from the supplementary information provided to it that the estimated total of $211,400 for official (non-training) travel would be required for within-mission travel ($46,300), travel of UNDOF personnel to Headquarters and other locations ($81,700) and travel of Headquarters staff to the mission ($83,400). **Additional information on the travel programme provided to the Committee was vague, unsubstantiated and did not provide clear justification for the proposed travel.**

24. Moreover, the Advisory Committee notes from the performance report on the 2002/03 period that, as was the case in the 2001/02 period, a significant cost overrun ($49,200) has been realized under official travel, reflecting an increase of 24.1 per cent, as compared with the budgeted provision of $204,400. The Committee recalls that actual travel expenditures for the 2001/02 period amounted to $103,900, an increase of $36,900, or 55.1 per cent, from the apportionment of $67,000. The Committee points out that the actual travel expenditures of UNDOF just for the two previous financial periods have more than doubled: from $103,900 for the 2001/02 period to $253,600 for the 2002/03 period. **The Committee is concerned about such a sharp increase in unbudgeted travel costs and trusts that necessary measures will be taken by the administration of UNDOF and the Department of Peacekeeping Operations to better control travel expenditures of the mission.**

25. The Advisory Committee also notes from the additional information provided on the performance report that some training-related travel was included in the list of non-training related travel. Moreover, the Committee notes that one trip was undertaken by an UNDOF staff member to New York to attend the evaluation of proposals for a new dry and frozen rations contract for UNDOF and one trip was undertaken to New York to attend the technical evaluation of 4x4 requests for proposals. **The Advisory Committee questions the need for undertaking this kind of travel, since expertise in the technical evaluation of the issues in question should exist within the Department of Peacekeeping Operations at Headquarters. Moreover, the Committee trusts that the impartiality of the bidding process and the evaluation of bidding proposals was fully respected, in spite of the participation of UNDOF representatives in the evaluation exercise.**

26. **Although not recommending a reduction in travel at this time, bearing in mind its comments in the paragraphs above, the Committee expects to see significant savings in the performance report.**

Ground transportation

27. The estimate for ground transportation for the period ending 30 June 2005 amounts to $2,986,500, an increase of 10 per cent, or $270,700, from the apportionment for the current period. The variance, as explained in paragraph 16 of the proposed budget, is due mainly to the application of the standard vehicle replacement policy, whereby 13 per cent of a total fleet of 471 vehicles need replacement, taking into account the age, mileage and general condition of the vehicles.

28. The Committee also notes that additional requirements are proposed under: (i) acquisition of vehicle workshop equipment ($55,500, or a 133.7 per cent increase) for the purchase of CarLog units for 88 trucks, including 28 Nyala armoured personnel carriers; and (ii) repairs and maintenance ($12,000, or a 9.4 per cent increase) owing to the higher cost of maintenance of the Nyala armoured personnel carriers.

29. The performance report for the 2002/03 period reflects savings of $423,200 under ground transportation owing mainly to the receipt of 60 vehicles, including 28 Nyala armoured personnel carriers from downsizing missions. The Advisory Committee notes from the supplementary information provided to it that additional requirements for spare parts for the 28 Nyala armoured personnel carriers amounted to $639,300 for the 2002/03 financial period. **In the light of the high maintenance cost of Nyala armoured personnel carriers, the Committee questions the cost-effectiveness of the transfer of 28 such vehicles to UNDOF and their continued use by the mission.** The Committee was informed, upon enquiry, that UNDOF headquarters, through a committee chaired by the UNDOF Chief of Staff, is presently reviewing the entire matter of armoured personnel carriers in the mission to reconfirm the requirement for these vehicles. The review also includes an examination of the costs of maintenance of armoured personnel carriers in UNDOF, with emphasis on the costs to date for the Nyala heavy patrol vehicle. The outcome of the study will be the basis for a comprehensive UNDOF proposal to be submitted to Headquarters by 31 March 2004.

Bank charges

30. The Committee notes that additional requirements of $1,400 are requested for bank charges, which represent an increase of 11.1 per cent from the apportionment of $12,600 for the current period. The estimates are based on the actual expenditures during the 2002/03 financial period. The Committee requested clarification about such a sharp increase in bank charges and was informed that during the 2002/03 financial period, UNDOF changed its practice of using checks to using wire transfers for vendor payments, which incurred additional bank charges. The new practice was undertaken to facilitate the timeliness and safety of payments being made to vendors in various countries.

V. Conclusions of the Advisory Committee

31. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 16 of the performance report (A/58/641). **The Advisory Committee recommends that the unencumbered balance of $16,100, as well as other income/adjustments in the amount of $1,875,000, be credited to Member States in a manner to be determined by the General Assembly.**

32. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 20 of the proposed budget (A/58/662). **In view of its comments above, the Advisory Committee recommends that the estimated budget requirements for UNDOF be reduced from $40,902,100 to $40,715,700.**

Documentation

- Report of the Secretary-General: performance report on the budget of UNDOF for the period from 1 July 2002 to 30 June 2003 (A/58/641)
- Report of the Secretary-General on the proposed budget for UNDOF for the period from 1 July 2004 to 30 June 2005 (A/58/662)
- Progress report of the Secretary-General on UNDOF for the period from 19 June to 9 December 2003 (S/2003/1148)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of UNDOF (A/57/772/Add.7)
- General Assembly resolutions 56/294 and 57/324 on the financing of UNDOF
- Security Council resolution 1488 (2003)

Annex

Actual expenditure of the United Nations Disengagement Observer Force for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure*
Military and police personnel		
Military observers	—	—
Military contingents	19 495.7	18 414.4
Civilian police	—	—
Formed police units	—	—
Subtotal	**19 495.7**	**18 414.4**
Civilian personnel		
International staff	5 014.3	3 767.4
National staff	1 755.8	1 141.6
United Nations Volunteers	—	—
Subtotal	**6 770.1**	**4 909.0**
Operational costs		
General temporary assistance	40.0	32.9
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	295.3	113.4
Facilities and infrastructure	5 945.1	3 442.0
Ground transportation	2 715.8	1 050.9
Air transportation	—	—
Naval transportation	—	—
Communications	1 873.8	621.0
Information technology	1 581.4	596.6
Medical	305.3	168.0
Special equipment	155.7	144.5
Other supplies, services and equipment	831.0	423.2
Quick-impact projects	—	—
Subtotal	**13 743.4**	**6 592.5**
Gross requirements	**40 009.2**	**29 915.9**
Staff assessment income	982.1	751.6
Net requirements	**39 027.1**	**29 164.3**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**40 009.2**	**29 915.9**